

---

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

---

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in 東原仁知城市運營服務集團股份有限公司 (Dowell Service Group Co. Limited\*), you should at once hand this circular with the accompanying form of proxy to the purchaser or transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



### DOWELL SERVICE GROUP CO. LIMITED\* 東原仁知城市運營服務集團股份有限公司

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2352)**

- (1) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**
- (2) PROPOSED RE-ELECTION OF DIRECTORS**
- (3) PROPOSED RE-ELECTION AND APPOINTMENT OF SUPERVISORS**
- (4) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**
- (5) NOTICE OF EGM**

**Independent Financial Adviser to  
the Independent Board Committee and the Independent Shareholders**



---

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

The letter from the Board is set out on pages 7 to 29 of this circular. A letter of recommendation from the Independent Board Committee to the Independent Shareholders is set out on pages 30 to 31 of this circular. A letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 32 to 61 of this circular.

A notice convening the EGM to be held at 4th Floor, Hall E, Dongyuan 1891, 80 Nanbin Road, Nan'an District, Chongqing, the PRC on Wednesday, 13 December 2023 at 10:00 a.m. is set out in this circular and the form of proxy is also enclosed hereto. Whether or not you intend to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to Computershare Hong Kong Investor Services Limited, the H share registrar of the Company in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 24 hours before the time appointed for holding the EGM (i.e. no later than 10:00 a.m. on Tuesday, 12 December 2023 (Hong Kong time)) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

This circular together with the form of proxy are also published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.dowellservice.com>). Reference to dates and times in this circular are to Hong Kong dates and times.

\* For identification purpose only

---

## CONTENTS

---

|                                                                                                            | <i>Page</i> |
|------------------------------------------------------------------------------------------------------------|-------------|
| <b>DEFINITIONS</b> .....                                                                                   | 1           |
| <b>LETTER FROM THE BOARD</b> .....                                                                         | 7           |
| <b>LETTER FROM THE INDEPENDENT BOARD COMMITTEE</b> .....                                                   | 30          |
| <b>LETTER FROM THE INDEPENDENT FINANCIAL ADVISER</b> .....                                                 | 32          |
| <b>APPENDIX I – DETAILS OF DIRECTORS AND SUPERVISORS PROPOSED<br/>FOR RE-ELECTION OR APPOINTMENT</b> ..... | I-1         |
| <b>APPENDIX II – PROPOSED AMENDMENTS TO THE ARTICLES OF<br/>ASSOCIATION</b> .....                          | II-1        |
| <b>APPENDIX III – GENERAL INFORMATION</b> .....                                                            | III-1       |
| <b>NOTICE OF EGM</b> .....                                                                                 | EGM-1       |

---

## DEFINITIONS

---

*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

|                                                             |                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Affiliated Companies”</b>                               | companies that engaged the Group to provide services and are (i) formed by Dima Group (including the Group) and independent third party(ies) in which Dima Group does not hold any controlling interests and are not consolidated entities of Dima Group; and (ii) held directly by Mr. Lo and His Associates (other than the Group and Dima Group) |
| <b>“Amended Articles”</b>                                   | the amended articles of association of the Company incorporating and consolidating all the Proposed Amendments, proposed to be adopted by the Company at the EGM                                                                                                                                                                                    |
| <b>“Articles Amendment and DS Re-election Announcement”</b> | the announcement of the Company dated 18 October 2023 in relation to (i) the Proposed Amendments; (ii) the proposed (a) re-election of all the existing Directors; and (b) re-election of an existing Non-Employee Representative Supervisor and appointment of a new Non-Employee Representative Supervisor                                        |
| <b>“Articles of Association”</b>                            | the articles of association of the Company currently in force                                                                                                                                                                                                                                                                                       |
| <b>“Audit Committee”</b>                                    | the audit committee of the Board                                                                                                                                                                                                                                                                                                                    |
| <b>“associate”</b>                                          | has the meaning ascribed to it under the Listing Rules                                                                                                                                                                                                                                                                                              |
| <b>“Board”</b>                                              | the board of Directors                                                                                                                                                                                                                                                                                                                              |
| <b>“Board Diversity Policy”</b>                             | the Board diversity policy of the Company currently in force                                                                                                                                                                                                                                                                                        |
| <b>“CCT Renewal Announcement”</b>                           | announcement of the Company dated 18 October 2023 in relation to the entering into of the New Dima Group Master Agreements                                                                                                                                                                                                                          |
| <b>“Chongqing Doyen”</b>                                    | Chongqing Doyen Holdings Group Co., Ltd.* (重慶東銀控股集團有限公司), a limited liability company established in the PRC and a controlling shareholder of the Company                                                                                                                                                                                           |
| <b>“Chongqing Shuorun”</b>                                  | Chongqing Shuorun Petrochemical Company Limited* (重慶碩潤石化有限責任公司), a limited liability company established in the PRC and a connected person of the Company                                                                                                                                                                                           |
| <b>“City Operations Services”</b>                           | property management services to residential and local non-residential properties, including security services, cleaning services, gardening services, facility management services and maintenance services                                                                                                                                         |

---

## DEFINITIONS

---

|                                                      |                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Company”                                            | 東原仁知城市運營服務集團股份有限公司 (DOWELL SERVICE GROUP CO. LIMITED*), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange                                                                                                                                                                       |
| “Company Law”                                        | Company Law of the PRC (《中華人民共和國公司法》) as amended and supplemented from time to time                                                                                                                                                                                                                                                                                          |
| “Community Events Planning Services”                 | organising events for residents and property developers                                                                                                                                                                                                                                                                                                                      |
| “connected person”                                   | has the meaning ascribed to it under the Listing Rules                                                                                                                                                                                                                                                                                                                       |
| “controlling shareholder”                            | has the meaning ascribed to it under the Listing Rules                                                                                                                                                                                                                                                                                                                       |
| “Director(s)”                                        | the director(s) of the Company                                                                                                                                                                                                                                                                                                                                               |
| “Dima”                                               | Dima Holdings Co., Ltd.* (重慶市迪馬實業股份有限公司), a limited liability company established in the PRC on 9 October 1997 and its shares are listed on the Shanghai Stock Exchange (stock code: 600565.SH), one of the controlling shareholders of the Company and a connected person of the Company for the purpose of the Listing Rules                                               |
| “Dima Group”                                         | Dima and companies formed by Dima and/or its subsidiary(ies) with other Independent Third Parties which Dima held a controlling interests                                                                                                                                                                                                                                    |
| “Effective Date”                                     | 1 January 2024 or the date of fulfillment or waiver (where applicable) of all conditions precedent of the New Dima Group Master Agreements (whichever is later)                                                                                                                                                                                                              |
| “EGM”                                                | the extraordinary general meeting to be held at 4th Floor, Hall E, Dongyuan 1981, 80 Nanbin Road, Nan’an District, Chongqing, the PRC on Wednesday, 13 December 2023 at 10:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages EGM-1 to EGM-5 of this circular, or any adjournment thereof |
| “Existing Dima Group Master Agreements”              | collectively, (i) Existing Master City Operations Services Agreement; (ii) Existing Master FATH and Other Comprehensive Services Agreement; and (iii) Existing Master Lifestyle Services Agreement                                                                                                                                                                           |
| “Existing Master City Operations Services Agreement” | the master city operations services agreement dated 10 March 2021 and entered into between the Company and Dima Group in relation to the provision of City Operation Services to Dima Group and Affiliated Companies by the Group                                                                                                                                            |

---

## DEFINITIONS

---

|                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Existing Master FATH and Other Comprehensive Services Agreement”</b> | the master foreign-affairs-technology-medical-related and other comprehensive services agreement dated 10 March 2021 and entered into between the Company and Dima Group in relation to the provision of other comprehensive value-added services, including, among others, Sales Assistance Services, Preliminary Planning Services, digital and intelligent technological services, maintenance and rectification services and other related comprehensive value-added services to Dima Group and Affiliated Companies by the Group |
| <b>“Existing Master Lifestyle Services Agreement”</b>                    | the master lifestyle services agreement dated 10 March 2021 and entered into between the Company and Dima Group in relation to the provision of lifestyle-related value-added services, including, among others, the Community Events Planning Services, Management and Agency Services and other lifestyle-related value-added services to Dima Group and Affiliated Companies by the Group                                                                                                                                          |
| <b>“FATH and Other Comprehensive Services”</b>                           | services provided to foreign-owned enterprises, foreign embassies, international schools, hospitals and medical facilities, as well as other comprehensive value-added services, including, among others, Sales Assistance Services, Preliminary Planning Services, digital and intelligent technology services, maintenance and rectification services and other related comprehensive value-added services                                                                                                                          |
| <b>“GFA”</b>                                                             | gross floor area                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>“Group”</b>                                                           | collectively, the Company and its subsidiaries                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>“H Share(s)”</b>                                                      | share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Stock Exchange                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>“H Share Registrar”</b>                                               | Computershare Hong Kong Investor Services Limited, the H Share registrar of the Company                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>“Independent Board Committee”</b>                                     | the independent board committee, comprising all independent non-executive Directors, formed to advise the Independent Shareholders in respect of the New Dima Group Master Agreements and the transactions contemplated thereunder                                                                                                                                                                                                                                                                                                    |
| <b>“Independent Financial Adviser”</b>                                   | Pelican Financial Limited, a corporation licensed to carry on type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in respect of, among other matters, the New Dima Group Master Agreements and the proposed annual caps contemplated thereunder                                                                                                                                |

---

## DEFINITIONS

---

|                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Independent Shareholders”</b>         | the Shareholders who are not required to abstain from voting at the EGM on the resolutions in respect of, among other matters, approving the New Dima Group Master Agreements and the proposed annual caps contemplated thereunder                                                                                                                                                                                                                     |
| <b>“Independent Third Party(ies)”</b>     | a person, persons, company or companies which is or are independent of, and not connected with (within the meaning under the Listing Rules), any directors, chief executive or substantial shareholders of the Company, any of its subsidiaries or any of their respective associate(s)                                                                                                                                                                |
| <b>“Latest Practicable Date”</b>          | 15 November 2023, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained in this circular                                                                                                                                                                                                                                                                           |
| <b>“Lifestyle Services”</b>               | lifestyle-related value-added services, including, among others, Community Events Planning Services, Management and Agency Services and other lifestyle-related value-added services                                                                                                                                                                                                                                                                   |
| <b>“Listing”</b>                          | the listing of H Shares on the Main Board of the Stock Exchange                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>“Listing Rules”</b>                    | the Rules Governing the Listing of Securities on the Stock Exchange                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>“Management and Agency Services”</b>   | providing (i) car parking spaces management services, including but not limited to, entry or exit control, cleaning, surveillance and collection of parking fees; and (ii) car parking spaces and property sales services, including but not limited to, providing marketing and sales services for car parking spaces and property located at property projects sourced from Dima Group and Affiliated Companies (including associates of Dima Group) |
| <b>“Mr. Lo”</b>                           | Mr. Lo Siu Yu, who owned approximately 77.78% of the equity interests in Chongqing Doyen as at the Latest Practicable Date and a connected person of the Company                                                                                                                                                                                                                                                                                       |
| <b>“Mr. Lo and His Associates”</b>        | collectively, refers to Chongqing Doyen, Mr. Lo, Ms. Chiu and Chongqing Shuorun                                                                                                                                                                                                                                                                                                                                                                        |
| <b>“Ms. Chiu”</b>                         | Ms. Chiu Kit Hung, the spouse of Mr. Lo                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>“New Dima Group Master Agreements”</b> | collectively, (i) New Master City Operations Services Agreement; (ii) New Master Lifestyle Services Agreement; and (iii) New Master FATH and Other Comprehensive Services Agreement                                                                                                                                                                                                                                                                    |

---

## DEFINITIONS

---

|                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“New Master City Operations Services Agreement”</b>              | the master city operations services agreement dated 18 October 2023 and entered into between the Company and Dima Group in relation to the provision of City Operations Services to Dima Group and Affiliated Companies by the Group                                                                                                                                                                                                                                                                                                         |
| <b>“New Master FATH and Other Comprehensive Services Agreement”</b> | the master foreign-affairs-technology-medical-related and other comprehensive services agreement dated 18 October 2023 and entered into between the Company and Dima Group in relation to the provision of other comprehensive value-added services, including, among others, the Sales Assistance Services, the Preliminary Planning Services, digital and intelligent technology services, maintenance and rectification services and other related comprehensive value-added services to Dima Group and Affiliated Companies by the Group |
| <b>“New Master Lifestyle Services Agreement”</b>                    | the master lifestyle services agreement dated 18 October 2023 and entered into between the Company and Dima Group in relation to the provision of lifestyle-related value-added services, including, among others, Community Events Planning Services, Management and Agency Services and other lifestyle-related value-added services to Dima Group and Affiliated Companies by the Group                                                                                                                                                   |
| <b>“Nomination Committee”</b>                                       | the nomination committee of the Board                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>“Non-Employee Representative Supervisor(s)”</b>                  | Supervisor(s), other than employee representative Supervisor who shall be elected by the employees of the Company and is not subject to the approval by the Shareholders                                                                                                                                                                                                                                                                                                                                                                     |
| <b>“PRC”</b>                                                        | the People’s Republic of China (and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>“Preliminary Planning Services”</b>                              | providing advisory services on the overall project design and planning and coordination of pre-sale activities                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>“Proposed Amendments”</b>                                        | the proposed amendments to the Articles of Association as set out in Appendix II to this circular                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>“Prospectus”</b>                                                 | prospectus of the Company dated 19 April 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>“RMB”</b>                                                        | Renminbi, the lawful currency of the PRC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>“Remuneration Committee”</b>                                     | the remuneration committee of the Board                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>“Sales Assistance Services”</b>                                  | assisting in property sales activities, which include visitor reception, cleaning, security inspection, maintenance and other customer-related services                                                                                                                                                                                                                                                                                                                                                                                      |

---

## DEFINITIONS

---

|                     |                                                                                                                                                                                                                                                       |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “SFO”               | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)                                                                                                                                                                           |
| “Shareholder(s)”    | the holder(s) of H Shares                                                                                                                                                                                                                             |
| “Stock Exchange”    | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                               |
| “Supervisor(s)”     | member(s) of the Supervisory Board                                                                                                                                                                                                                    |
| “Supervisory Board” | the board of supervisors of the Company                                                                                                                                                                                                               |
| “Tianjin Chengfang” | Tianjin Chengfang Corporate Management Consultant Company Limited* (天津澄方企業管理諮詢有限公司), which hold 25,520,000 H Shares, representing approximately 38.09% of the issued H Shares as at the Latest Practicable Date and a connected person of the Company |
| “U.S.”              | the United States of America                                                                                                                                                                                                                          |
| “%”                 | per cent.                                                                                                                                                                                                                                             |

\* For identification purpose only



---

LETTER FROM THE BOARD

---



**DOWELL SERVICE GROUP CO. LIMITED\***  
**東原仁知城市運營服務集團股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2352)**

***Non-executive Directors:***

Ms. Luo Shaoying (*Chairman*)

Ms. Yi Lin

***Executive Directors:***

Mr. Zhang Aiming (*Vice chairman,*

*Co-chief executive officer*)

Mr. Fan Dong (*Co-chief executive officer*)

***Independent non-executive Directors:***

Ms. Cai Ying

Mr. Wang Susheng

Mr. Song Deliang

***Registered office and headquarters:***

Room 206, B1/F

No. 108 Baihe Road

Nanping Town

Nan'an District, Chongqing

The PRC

***Principal place of business in Hong Kong:***

40/F, Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai

Hong Kong

21 November 2023

*To the Shareholders*

Dear Sir or Madam,

- (1) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**
- (2) PROPOSED RE-ELECTION OF DIRECTORS**
- (3) PROPOSED RE-ELECTION AND APPOINTMENT OF SUPERVISORS**
- (4) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

**I. INTRODUCTION**

Reference is made to the (i) Prospectus; (ii) CCT Renewal Announcement; and (iii) Articles Amendment and DS Re-election Announcement.

The purpose of this circular is to provide you with, among other things, (i) details of the New Dima Group Master Agreements and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the New Dima Group Master Agreements and the transactions contemplated thereunder; (iii) a letter from the Independent Financial Adviser in relation to the New Dima Group Master Agreements and the transactions

---

## LETTER FROM THE BOARD

---

contemplated thereunder; (iv) details of the proposed (a) re-election of all the existing non-executive Directors and independent non-executive Directors; and (b) re-election of an existing Non-Employee Representative Supervisor and appointment of a new Non-Employee Representative Supervisor; (v) the Proposed Amendments; and (vi) a notice convening the EGM, as well as any other information required to be disclosed under the Listing Rules.

### II. RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the Prospectus and the CCT Renewal Announcement.

As disclosed in the Prospectus, the Company entered into the Existing Dima Group Master Agreements with Dima Group on 10 March 2021, which constituted continuing connected transactions of the Company upon Listing. The Existing Dima Group Master Agreements will expire on 31 December 2023. With a view to continue the business with Dima Group in a way that fits the current business environment and circumstances of the Company, on 18 October 2023 (after trading hours), the Company entered into the New Dima Group Master Agreements with Dima Group, which will become effective on the Effective Date and expire on 31 December 2026.

The principal terms of the New Dima Group Master Agreements are set out below:

#### The New Dima Group Master Agreements

##### A. *New Master City Operations Services Agreement*

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Date</b>                 | 18 October 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Parties</b>              | (1) The Company (as service provider); and<br>(2) Dima Group (as service recipient)                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Term</b>                 | From the Effective Date to 31 December 2026 (both days inclusive)                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Conditions precedent</b> | The New Master City Operations Services Agreement is conditional upon:<br><br>(1) the Company obtaining the necessary consents or approvals for the entering into of the New Master City Operations Services Agreement and the transactions contemplated thereunder, including but not limited to the approval by the Stock Exchange, the approval of any relevant governmental or regulatory authority and requirements under the laws of the PRC, or obtaining the applicable waivers from the Stock Exchange; |

---

## LETTER FROM THE BOARD

---

- (2) the Company obtaining the approval from the Independent Shareholders of the New Master City Operations Services Agreement and the transactions contemplated thereunder (including the annual caps) at the EGM; and
- (3) the parties completing all the relevant internal approval procedures.

Either party to the New Master City Operations Services Agreement has the right to notify the other party in writing at any time to waive compliance with the abovementioned conditions precedent (3). If the conditions precedent have not been fulfilled (or waived) on or before 31 December 2023 (or such later date as the parties agree in writing), the New Master City Operations Services Agreement shall cease to have effect, and no party shall have any claim against the other party except for any antecedent breach of the New Master City Operations Services Agreement

### **Subject matters**

Pursuant to the New Master City Operations Services Agreement, the Group shall provide Dima Group and Affiliated Companies (including associates of Dima Group) the City Operations Services (i.e. property management services to residential and local non-residential properties, including security services, cleaning services, gardening services, facility management services and maintenance services)

### **Pricing basis**

The service fees to be charged pursuant to the New Master City Operations Services Agreement shall be determined after arm's length negotiations with the prevailing market price for similar services (taking into account of the location of the property projects, the expected operational costs (including, among others, labour costs, material costs and administrative costs)) and the prices charged by the Group for the provision of comparable services to Independent Third Parties

In determining whether the pricing basis for proposed annual caps for the transactions contemplated under the New Master City Operations Services Agreement is fair and reasonable, the Company would compare at least three quotations offered to the Independent Third Parties by the Group. After comparing six quotations offered to the Independent Third Parties from the commencement of the Existing Master City Operations Services Agreement to September 2023, the Directors confirm that the abovementioned pricing basis is fair and reasonable, and no less favourable to the Group than those available to the Independent Third Parties.

---

## LETTER FROM THE BOARD

---

### Payment terms

Pursuant to the New Master City Operations Services Agreement, separate agreements shall be entered into between the Group (as service provider) and the relevant member of Dima Group or the relevant Affiliated Company (as customer) for provision of the City Operations Services at different property projects of Dima Group and Affiliated Companies located at various locations across the PRC. Each agreement shall include details of the transaction governing the provision of City Operations Services by the Group to each specific property project of Dima Group and Affiliated Companies. Generally, the Group may charge property management fees on a monthly basis. The fees for provision of City Operations Services are typically due for payment by Dima Group and Affiliated Companies upon the Group's issuance of a demand note.

### Proposed annual caps and basis of determination

|            | For the year ending 31 December |          |          |
|------------|---------------------------------|----------|----------|
|            | 2024                            | 2025     | 2026     |
|            | RMB '000                        | RMB '000 | RMB '000 |
| Annual cap | 50,355                          | 53,664   | 54,760   |

The Directors have considered the following factors in a comprehensive manner in arriving at the above proposed annual caps for the transactions contemplated under the New Master City Operations Services Agreement:

- (i) the historical transaction amounts in respect of the Existing Master City Operations Services Agreement of approximately RMB37.5 million, RMB43.5 million, RMB41.8 million and RMB22.8 million for the provision of City Operations Services for property projects sourced from Dima Group and Affiliated Companies with a total GFA under management of approximately 11.2 million sq.m., 14.3 million sq.m., 18.6 million sq.m. and 19.3 million sq.m. for the three years ended 31 December 2022 and the six months ended 30 June 2023, respectively;
- (ii) the costs incurred for the City Operations Services during the three years ended 31 December 2022 and the six months ended 30 June 2023;

---

## LETTER FROM THE BOARD

---

- (iii) the estimated transaction amount for the three years ending 31 December 2026 based on the Group's existing signed City Operations Services agreements with Dima Group. As at 30 September 2023, the Group were contracted to manage 121 property projects sourced from Dima Group and Affiliated Companies (including associates of Dima Group) with a total contracted GFA of approximately 20.5 million sq.m.;
- (iv) the estimated size and number of property projects to be delivered by Dima Group for the three years ending 31 December 2026, which is based on the total construction area and land bank held by Dima Group as at 31 March 2023. According to the quarterly report of Dima Group for the three months ended 31 March 2023, Dima Group had land bank and total planned construction area of approximately 2.3 million sq.m. and 18.6 million sq.m., respectively;
- (v) the proportion of property projects developed by Dima Group and Affiliated Companies (including associates of Dima Group) which were managed by the Group, and the Group's estimated operation capacity for the three years ending 31 December 2026; and
- (vi) the estimated monthly City Operations Services fees to be charged in respect of residential and local non-residential properties sourced from Dima Group and Affiliated Companies (including associates of Dima Group), which are assumed to remain the same as the average monthly City Operations Services fees charged for the year ending 31 December 2026.

In all, the proposed annual caps for the transactions contemplated under the New Master City Operations Services Agreement is determined based on the estimated property management fees, which accounts for the anticipated growth of the property projects and size to be delivered by Dima Group and Affiliated Companies for the three years ending 31 December 2026, with a buffer for flexibility.

---

## LETTER FROM THE BOARD

---

### ***B. New Master Lifestyle Services Agreement***

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Date</b>                 | 18 October 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Parties</b>              | (1) The Company (as service provider); and<br><br>(2) Dima Group (as service recipient)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Term</b>                 | From the Effective Date to 31 December 2026 (both days inclusive)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Conditions precedent</b> | The New Master Lifestyle Services Agreement is conditional upon:<br><br>(1) the Company obtaining the necessary consents or approvals for the entering into of the New Master Lifestyle Services Agreement and the transactions contemplated thereunder, including but not limited to the approval by the Stock Exchange, the approval of any relevant governmental or regulatory authority and requirements under the laws of the PRC, or obtaining the applicable waivers from the Stock Exchange;<br><br>(2) the Company obtaining the approval from the Independent Shareholders of the New Master Lifestyle Services Agreement and the transactions contemplated thereunder (including the annual caps) at the EGM; and<br><br>(3) the parties completing all the relevant internal approval procedures. |

Either party to the New Master Lifestyle Services Agreement has the right to notify the other party in writing at any time to waive compliance with the abovementioned conditions precedent (3). If the conditions precedent have not been fulfilled (or waived) on or before 31 December 2023 (or such later date as the parties agree in writing), the New Master Lifestyle Services Agreement shall cease to have effect, and no party shall have any claim against the other party except for any antecedent breach of the New Master Lifestyle Services Agreement

---

## LETTER FROM THE BOARD

---

### **Subject matters**

Pursuant to the New Master Lifestyle Services Agreement, the Group agreed to provide the following lifestyle-related value-added services to Dima Group and Affiliated Companies (including associates of Dima Group):

- Community Events Planning Services (i.e. organising events for residents and property developers);
- Management and Agency Services (i.e. (i) car parking spaces management services, including but not limited to, entry or exit control, cleaning, surveillance and collection of parking fees; and (ii) car parking spaces and property sales services, including but not limited to, providing marketing and sales services for car parking spaces and property located at property projects sourced from Dima Group and Affiliated Companies (including associates of Dima Group));
- utility maintenance services; and
- other lifestyle-related value-added services.

### **Pricing basis**

The service fees to be charged pursuant to the New Master Lifestyle Services Agreement shall be determined after arm's length negotiations with the prevailing market price for similar services (taking into account of the location of the property projects, the expected operational costs (including, among others, labour costs, material costs and administrative costs)) and the prices charged by the Group for the provision of comparable services to Independent Third Parties

---

## LETTER FROM THE BOARD

---

In determining whether the pricing basis for the proposed annual caps for the transactions contemplated under the New Master Lifestyle Services Agreement is fair and reasonable, the Company would compare at least three quotations offered to the Independent Third Parties by the Group. After comparing four quotations offered to the Independent Third Parties from the commencement of the Existing Master Lifestyle Services Agreement to September 2023, the Directors confirm that the abovementioned pricing basis is fair and reasonable, and no less favourable to the Group than those available to the Independent Third Parties.

### **Payment terms**

Pursuant to the New Master Lifestyle Services Agreement, separate agreements shall be entered into between the Group (as service provider) and the relevant member of Dima Group or the relevant Affiliated Company (as customer) for provision of specific lifestyle value-added service(s) by the Group based on specific property project(s) of Dima Group and/or Affiliated Companies. Each agreement shall include details of the transaction governing the provision of lifestyle-related value-added services by the Group to relevant member of Dima Group or Affiliated Company based on specific property project(s) of Dima Group and/or Affiliated Companies. Depending on the nature of the services rendered by the Group and terms of the specific agreements, the Group may charge Dima Group and Affiliated Companies on periodic basis or on one-off basis.

| <b>Proposed annual<br/>caps and basis<br/>of determination</b> | <b>For the year ending 31 December</b> |                 |                 |
|----------------------------------------------------------------|----------------------------------------|-----------------|-----------------|
|                                                                | <b>2024</b>                            | <b>2025</b>     | <b>2026</b>     |
|                                                                | <i>RMB '000</i>                        | <i>RMB '000</i> | <i>RMB '000</i> |
| Annual cap                                                     | 48,951                                 | 56,344          | 61,256          |



---

## LETTER FROM THE BOARD

---

When setting the above proposed annual caps for the transactions contemplated under the New Master Lifestyle Services Agreement, the Directors (i) reviewed the historical transaction amounts in respect of the Existing Master Lifestyle Services Agreements of approximately RMB85.7 million, RMB113.7 million, RMB65.1 million and RMB18.3 million for the three years ended 31 December 2022 and the six months ended 30 June 2023, respectively; and (ii) compared such historical transaction amounts with the annual caps for the transactions contemplated under the Existing Master Lifestyle Services Agreement (i.e. RMB122.1 million and RMB132.8 million for the two years ending 31 December 2023). The Directors noted that the actual transaction amounts for services rendered under the Existing Master Lifestyle Services Agreement was much lower than expected transaction amounts when determining the annual caps for the transactions contemplated under the Existing Master Lifestyle Services Agreement at the material time in 2022. In particular, the utilization rate of the annual caps for the transactions contemplated under the Existing Master Lifestyle Services Agreement decreased from approximately 53.3% for the year ended 31 December 2022 to approximately 27.6% for the six months ended 30 June 2023. This is mainly due to the fact that the business of Dima Group and Affiliated Companies was negatively impacted by the COVID pandemic and real estate industry downturn in the PRC in 2022 and the first half of 2023. The Directors are of the view that such circumstances would subsist for a period of time, and thus consider it is appropriate to lower the proposed annual caps for the transactions contemplated under the New Master Lifestyle Services Agreement from the historical annual caps for the transactions contemplated under the Existing Master Lifestyle Services Agreement in order to reflect the actual utilisation rate.

Nevertheless, the Directors consider it is necessary to set the proposed annual caps for the transactions contemplated under the New Master Lifestyle Services Agreement with an increment for each year ending 31 December 2026 after having considered the following factors in a comprehensive manner:

---

## LETTER FROM THE BOARD

---

- (i) the number of property projects developed and delivered by Dima Group and Affiliated Companies, the expected number of property projects to be developed and delivered by Dima Group and Affiliated Companies (including associates of Dima Group) and the expected contract sum for Community Events Planning Services, Management and Agency Services and other lifestyle-related value-added services with reference to the existing agreements regarding the provision of Community Events Planning Services, Management and Agency Services and other lifestyle-related value-added services;
- (ii) the expected increase in the number of property projects for the three years ending 31 December 2026, with reference to (a) the business development plan of Dima Group and Affiliated Companies (including associates of Dima Group); and (b) the Group's estimation on the number of new property projects of Dima Group. It is estimated that there will be a total of approximately 129 property projects with GFA under management of approximately 24.2 million sq.m. to be delivered by Dima Group for the three years ending 31 December 2026;
- (iii) the number of vacant car parking spaces, car parking space management fees per unit and the length of vacant period – after taking into account the expected increase in the number of car parking spaces to be developed by Dima Group and Affiliated Companies (including associates of Dima Group), and managed by and sold through the assistance of the Group for the three years ending 31 December 2026 based on the future development plan of Dima Group and Affiliated Companies (including associates of the Dima Group);
- (iv) the expected annual increase in the charging rates for the Community Events Planning Services, Management and Agency Services and other value-added services with reference to the Group's charging rates during the three years ended 31 December 2022 and the six months ended 30 June 2023 and the expected increase in the relevant cost and market price for such services, taking into account, among others, of the increase in the labour cost for the relevant services in the forthcoming years.

---

## LETTER FROM THE BOARD

---

### ***C. New Master FATH and Other Comprehensive Services Agreement***

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Date</b>                 | 18 October 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Parties</b>              | (1) The Company (as service provider); and<br><br>(2) Dima Group (as service recipient)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Term</b>                 | From the Effective Date to 31 December 2026 (both days inclusive)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Conditions precedent</b> | The New Master FATH and Other Comprehensive Services Agreement is conditional upon:<br><br>(1) the Company obtaining the necessary consents or approvals for the entering into of the New Master FATH and Other Comprehensive Services Agreement and the transactions contemplated thereunder, including but not limited to the approval by the Stock Exchange, the approval of any relevant governmental or regulatory authority and requirements under the laws of the PRC, or obtaining the applicable waivers from the Stock Exchange;<br><br>(2) the Company obtaining the approval from the Independent Shareholders of the New Master FATH and Other Comprehensive Services Agreement and the transactions contemplated thereunder (including the annual caps) at the EGM; and<br><br>(3) the parties completing all the relevant internal approval procedures. |

Either party to the New Master FATH and Other Comprehensive Services Agreement has the right to notify the other party in writing at any time to waive compliance with the abovementioned conditions precedent (3). If the conditions precedent have not been fulfilled (or waived) on or before 31 December 2023 (or such later date as the parties agree in writing), the New Master FATH and Other Comprehensive Services Agreement shall cease to have effect, and no party shall have any claim against the other party except for any antecedent breach of the New Master FATH and Other Comprehensive Services Agreement

---

## LETTER FROM THE BOARD

---

### **Subject matters**

Pursuant to the New Master FATH and Other Comprehensive Services Agreement, the Group agreed to provide the following other comprehensive value-added services to Dima Group and Affiliated Companies (including associates of Dima Group):

- Sales Assistance Services (i.e. assisting in property sales activities, which include visitor reception, cleaning, security inspection, maintenance and other customer-related services);
- Preliminary Planning Services (i.e. advisory services on the overall project design and planning and coordination of pre-sale activities);
- digital and intelligent technology services;
- maintenance and rectification services, which include fire prevention facilities, machinery, electrical and associated works; and
- other related comprehensive value-added services.

### **Pricing basis**

The service fees to be charged pursuant to the New Master FATH and Other Comprehensive Services Agreement shall be determined after arm's length negotiations with the prevailing market price for similar services (taking into account of the location of the property projects, the expected operational costs (including, among others, labour costs, material costs and administrative costs)) and the prices charged by the Group for the provision of comparable services to Independent Third Parties

---

## LETTER FROM THE BOARD

---

In determining whether the pricing basis for the proposed annual caps for the transactions contemplated under the New Master FATH and Other Comprehensive Services Agreement is fair and reasonable, the Company would compare at least three quotations offered to the Independent Third Parties by the Group. After comparing four quotations offered to the Independent Third Parties from the commencement of the Existing Master FATH and Other Comprehensive Services Agreement to September 2023, the Directors confirm that the abovementioned pricing basis is fair and reasonable, and no less favourable to the Group than those available to the Independent Third Parties.

### **Payment terms**

Pursuant to the New Master FATH and Other Comprehensive Services Agreement, separate agreements shall be entered into between the Group (as service provider) and the relevant member of Dima Group or the relevant Affiliated Company (as customer) for provision of specific other comprehensive value-added service(s) by the Group based on specific property project(s) of Dima Group and/or Affiliated Companies. Each agreement shall include details of the transaction governing the provision of other comprehensive value-added services by the Group to relevant member of Dima Group or Affiliated Company based on specific property project(s) of Dima Group and/or Affiliated Companies. Depending on the nature of the services rendered by the Group and terms of the specific agreements, the Group may charge Dima Group and Affiliated Companies on periodic basis or on one-off basis.

### **Proposed annual caps and basis of determination**

|            | <b>For the year ending 31 December</b> |                 |                 |
|------------|----------------------------------------|-----------------|-----------------|
|            | <b>2024</b>                            | <b>2025</b>     | <b>2026</b>     |
|            | <i>RMB '000</i>                        | <i>RMB '000</i> | <i>RMB '000</i> |
| Annual cap | 70,946                                 | 63,681          | 59,222          |

---

## LETTER FROM THE BOARD

---

When setting the above proposed annual caps for the transactions contemplated under the New Master FATH and Other Comprehensive Services Agreement, the Directors (i) reviewed the historical transaction amounts in respect of the Existing Master FATH and Other Comprehensive Services Agreements of approximately RMB194.3 million, RMB217.8 million, RMB144.7 million and RMB38.4 million for the three years ended 31 December 2022 and the six months ended 30 June 2023, respectively; and (ii) compared such historical transaction amounts with the annual caps for the transactions contemplated under the Existing Master FATH and Other Comprehensive Services Agreement (i.e. RMB245.7 million and RMB298.2 million for the two years ending 31 December 2023). The Directors noted that the actual transaction amounts for services rendered under the Existing Master FATH and Other Comprehensive Services Agreement was much lower than expected transaction amounts when determining the annual caps for the transactions contemplated under the Existing Master FATH and Other Comprehensive Services Agreement at the material time in 2022. In particular, the utilization rate of the annual caps for the transactions contemplated under the Existing Master FATH and Other Comprehensive Services Agreement decreased from approximately 58.9% for the year ended 31 December 2022 to approximately 25.8% for the six months ended 30 June 2023. This is mainly due to the fact that the business of Dima Group and Affiliated Companies was negatively impacted by the COVID pandemic and real estate industry downturn in the PRC in 2022 and the first half of 2023.

On the other hand the Directors take the following factors into account when determining the proposed annual caps for the transactions contemplated under the New Master FATH and Other Comprehensive Services Agreement:

- (i) the total planned construction area of Dima Group increased by approximately 5.7% from 2020 to 2022. As at 31 December 2022, Dima Group's total planned construction area was approximately 18.6 million sq.m.;
- (ii) the number of existing property projects to which the Group offered Sales Assistance Services, the expected number of new property projects of Dima Group and the expected Sales Assistance Services contract sum for new property projects with reference to the existing agreements regarding the provision of Sales Assistance Services;

---

## LETTER FROM THE BOARD

---

- (iii) the number of property projects developed and delivered by Dima Group and Affiliated Companies, the expected number of property projects to be developed and delivered by Dima Group and Affiliated Companies (including associates of Dima Group) and the expected contract sum for Preliminary Planning Services, maintenance and rectification services and other value-added services with reference to the existing agreements regarding the provision of Preliminary Planning Services, maintenance and rectification services and other value-added services;
- (iv) the expected increase in the number of property projects for the three years ending 31 December 2026, with reference to (a) the growth rate of the historical transaction amounts; and (b) the business development plan of Dima Group and Affiliated Companies (including associates of Dima Group) and the Group's estimation on the number of new property projects of Dima Group. It is estimated that there will be a total of approximately 129 property projects with GFA under management of approximately 24.2 million sq.m. to be delivered by Dima Group for the three years ending 31 December 2026;
- (v) the expected annual increase in the charging rates for the Preliminary Planning Services, maintenance and rectification services and other value-added services with reference to the Group's charging rates during the three years ended 31 December 2022 and the six months ended 30 June 2023 and the expected increase in the relevant cost and market price for such services, taking into account, among others, of the increase in the labour cost for the relevant services in the forthcoming years.

---

## LETTER FROM THE BOARD

---

Despite the foregoing factors, the Directors expect that the negative impact on Dima Group and Affiliated Companies brought by the real estate industry downturn in the PRC in 2022 and the first half of 2023 would subsist for a period of time. In addition, existing services provided under the Existing Master FATH and Other Comprehensive Services Agreement for certain existing projects would be completed in the three years ending 31 December 2026, and it is expected services would not be required repeatedly for these projects. Thus, after considering all the above factors in a comprehensive manner, the Directors consider it is appropriate to lower the proposed annual caps for the transactions contemplated under the New Master FATH and Other Comprehensive Services Agreement from the historical annual caps for the transactions contemplated under the Existing Master FATH and Other Comprehensive Services Agreement, as well as setting such proposed annual caps with decreasing trend in order to reflect the actual utilisation rate and expected overall required services.

The Directors confirm that the transactions amounts from the Listing Date to the Latest Practicable Date are within the respective original annual caps under each of the Existing Dima Group Master Agreements.

### **Internal control measures**

To enable the Group to review and assess whether the individual transactions will be conducted on normal commercial terms and on terms no favourable to the Group than those available from Independent Third Parties, the Group has adopted the following measures:

- (a) the business department and the finance department of the Group will regularly examine and review the pricing terms by collecting relevant market information, and conduct periodic review on the historical and current quotations offered to the Independent Third Parties to ensure the price charged for Dima Group and Affiliated Companies (including associates of Dima Group) is fair and reasonable and no less favourable to the Group than those available to the Independent Third Parties;
- (b) the finance department of the Group will conduct inspection, review and evaluation on a monthly basis on whether the amounts of continuing connected transactions are maintained within their respective annual caps;
- (c) the senior management of the Company will supervise and monitor the adoption of the internal control procedures to ensure the implementation of the pricing policy is in compliance with the respective agreement and the actual transaction amount is within the respective annual cap;
- (d) the auditor of the Company will conduct annual review on the continuing connected transactions of the Group to ensure that the transactions are conducted on the principal terms of the New Dima Group Master Agreements; and



---

## LETTER FROM THE BOARD

---

- (e) the independent non-executive Directors will conduct annual review regarding the transactions contemplated under the New Dima Group Master Agreements to ensure that such transactions are conducted on normal commercial terms and are in the ordinary and usual course of business of the Group, and the terms and conditions thereof are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **Reasons for and benefits of the New Dima Group Master Agreements**

The Group has been, in the ordinary and usual course of business, providing property management services and value-added services (i.e. City Operations Services, Lifestyle Services, and FATH and Other Comprehensive Services) to Dima Group and Affiliated Companies (including associates of Dima Group) before Listing in 2022.

Based on the established long-term cooperation relationship, the Group has gained thorough understanding of the conditions of the property projects of Dima Group and Affiliated Companies (including associates of Dima Group), and is familiarised with the strategy and requirements of Dima Group and Affiliated Companies (including associates of Dima Group). The entering into of the New Dima Group Master Agreements is conducive to continuous business stability of the Group and is expected to generate stable income for the Group.

Given the reasons above, taking into consideration the pricing policy and the internal control measures that the Company has in place, the Board (including the independent non-executive Directors after taking into consideration the advice of the Independent Financial Adviser) are of the view that the New Dima Group Master Agreements were entered into in the ordinary and usual course of business of the Group, and the terms of the New Dima Group Master Agreements are fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole.

Since Ms. Luo Shaoying is a director and chief executive officer of Dima, and Ms. Yi Lin is a director, vice chief executive officer and the head of finance department of Dima, for good corporate governance practice, each of Ms. Luo and Ms. Yi has abstained from voting on the relevant resolutions of the Board approving the New Dima Group Master Agreements.

Save for the abovementioned, none of the other Directors had or may be regarded as having a material interest in the New Dima Group Master Agreements and the transactions contemplated thereunder and, and therefore none of the other Directors had abstained from voting on the relevant Board resolutions approving the New Dima Group Master Agreements.

### **Information on the parties**

#### ***The Group***

The Group is a property management service provider that offers comprehensive services for a wide range of property projects in the PRC.

---

## LETTER FROM THE BOARD

---

### ***Dima Group***

Dima Group is principally engaged in (i) development and investment of residential and commercial properties in the PRC; and (ii) manufacturing of vehicles with various types of use.

As at the Latest Practicable Date, Dima was an A-share company listed on the Shanghai Stock Exchange and was owned by Chongqing Doyen and Chongqing Shuorun as to approximately 35.55% and 3.01% respectively. Chongqing Shuorun was owned by Chongqing Doyen and Ms. Chiu as to approximately 98.96% and 1.04% respectively, while Chongqing Doyen was owned by Mr. Lo and Ms. Chiu as to approximately 77.78% and 22.22% respectively.

### **Listing Rules implications**

As at the Latest Practicable Date, Dima is one of the Company's controlling shareholders and therefore Dima and its associates are connected persons of the Company of the purpose of the Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under each of the New Dima Group Master Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios under the Listing Rules in respect of the aggregate annual caps for the New Dima Group Master Agreements exceed 5%, the transactions contemplated under the New Dima Group Master Agreements are subject to the reporting, announcement, circular, annual review and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, associate of Dima, namely Tianjin Chengfang, which hold 25,520,000 H Shares, representing approximately 38.09% of the issued H Shares as at the Latest Practicable Date, shall abstain from voting on the resolution approving each of the New Dima Group Master Agreements and the respective proposed annual caps contemplated thereunder at the EGM. Save as disclosed above, as at the date of this announcement, none of other Shareholders is required to abstain from voting on the resolutions in respect of the each of the New Dima Group Master Agreements and the respective proposed annual caps contemplated thereunder at the EGM.

### **III. PROPOSED RE-ELECTION OF DIRECTORS**

Reference is made to the Articles Amendment and DS Re-election Announcement.

The term of office of the first session of all existing members of the Board will expire on 13 December 2023. On 18 October 2023, the Board resolved the proposed re-election of all the existing non-executive Directors and independent non-executive Directors. Subject to the approval of the Proposed Amendments by the Shareholders at the EGM, all executive Directors shall be elected from employee representatives of the Company, who shall be elected or removed by employee representative meeting of the Company and not subject to the approval of the Shareholders. Therefore, all existing executive Directors would not be proposed to be re-elected by the Shareholders at the EGM.

---

## LETTER FROM THE BOARD

---

In accordance with the relevant requirements of the Articles of Association, the Company Law and the Listing Rules, the Board proposed the nomination of the following persons as members to the second session of the Board with the respective proposed annual remuneration from the Company for serving as a Director as follows:

| Name             | Current position<br>in the Company       | Proposal                                                   | Proposed annual<br>remuneration<br>from the<br>Company |
|------------------|------------------------------------------|------------------------------------------------------------|--------------------------------------------------------|
| Ms. Luo Shaoying | Non-executive<br>Director                | Re-elected to be<br>non-executive Director                 | HK\$250,000                                            |
| Ms. Yi Lin       | Non-executive<br>Director                | Re-elected to be non-<br>executive Director                | HK\$250,000                                            |
| Ms. Cai Ying     | Independent<br>non-executive<br>Director | Re-elected to be<br>independent non-<br>executive Director | HK\$250,000                                            |
| Mr. Wang Susheng | Independent<br>non-executive<br>Director | Re-elected to be<br>independent non-<br>executive Director | HK\$250,000                                            |
| Mr. Song Deliang | Independent<br>non-executive<br>Director | Re-elected to be<br>independent non-<br>executive Director | HK\$250,000                                            |

Each of the Directors proposed to be re-elected has agreed to his or her re-election as proposed above.

Brief information concerning the above proposed Directors (collectively, the “**Nominee(s)**”) is set out in Part A of Appendix I to this circular. Separate ordinary resolutions to approve their re-election will be proposed at the EGM for the Shareholders’ consideration and approval. The results of such election will be announced together with the poll results of the EGM.

The Nomination Committee has reviewed the proposed composition of the members of the second session of the Board and was of the view that the proposed composition of the Board is in compliance with the requirements of the Articles of Association, the applicable laws and regulations, the Listing Rules, the Board Diversity Policy and the needs of the Company. When proposing the election of Directors, the Board has taken into account a number of factors pursuant to the Board Diversity Policy, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service, to achieve diversity of board members. The Board believes that gender, age, educational background, professional experience, skills, knowledge of Directors proposed to be re-elected contribute to the diversity of the Board. In addition, the Remuneration Committee of the Board has recommended the abovementioned remuneration of the Directors after making reference to their respective duties, responsibilities, experience as well as the current market situations. Ordinary resolutions to consider and approve the election of the above proposed Directors and the proposal on their remuneration will be proposed at the EGM. The term of office of each proposed Director is three years, which shall commence from the date on which the appointment is approved by the Shareholders

---

## LETTER FROM THE BOARD

---

at the EGM or 14 December 2023 (whichever is later), and shall be eligible for re-election upon the expiry of the term of office. Each proposed Director shall enter into a service agreement with the Company upon becoming effectively appointed by the Shareholders at the EGM.

Each independent non-executive Directors proposed to be re-elected has given to the Company confirmation of his or her independence in accordance with Rule 3.13 of the Listing Rules. The Board, therefore, upon the recommendation of the Nomination Committee, considers that the independent non-executive Directors proposed to be re-elected to be independent and should be elected.

Save as disclosed in Part A of Appendix I to this circular, as at the Latest Practicable Date, each of the Directors (i) has not held any positions with any members of the Group; (ii) is not related to any Directors, senior management or substantial shareholders or the controlling shareholders (as defined under the Listing Rules) of the Company; (iii) is not interested in the H Shares within the meaning of Part XV of the SFO; and (iv) has not held any other directorships in any other listed public companies in the last three years. Save as disclosed in Part A of Appendix I to this circular, as at the Latest Practicable Date, there are no other matters relating to the re-election of the aforementioned Directors that should be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

#### IV. PROPOSED RE-ELECTION AND APPOINTMENT OF SUPERVISORS

Reference is made to the Articles Amendment and DS Re-election Announcement.

The term of office of the first session of all existing members of the Supervisory Board will also expire on 13 December 2023. On 18 October 2023, the Board also resolved the proposed re-election of all the existing Supervisors (other than (i) Mr. Wang Jun, who will not offer himself for re-election as a Supervisor and will retire upon the conclusion of the EGM in order to devote more time to his other commitments; and (ii) Ms. Tan Liang, an employee representative Supervisor who shall be elected by the employees of the Company and is not subject to the approval by Shareholders) (i.e. the Non-Employee Representative Supervisors).

The Board announced on 18 October 2023 that Mr. Yang Guang (“**Mr. Yang**”) has been nominated by Tianjin Chengfang as candidate for appointment at the EGM as a Non-Employee Representative Supervisor.

In accordance with the relevant requirements of the Articles of Association, the Company Law and the Listing Rules, Tianjin Chengfang proposed the nomination of the following persons as members to the second session of the Supervisory Board:

| <b>Name</b>                      | <b>Current position in the Company</b>     | <b>Proposal</b>              |
|----------------------------------|--------------------------------------------|------------------------------|
| Mr. Mao Dun (“ <b>Mr. Mao</b> ”) | Supervisor (representing the Shareholders) | Re-elected to be Supervisor  |
| Mr. Yang Guang                   | N/A                                        | Appointment to be Supervisor |

---

## LETTER FROM THE BOARD

---

In accordance with the relevant provisions of the Company Law, the Articles of Association and other regulations, based on the remuneration level of the Company's industry, and combined with the actual situation of the Company and the working hours of the Non-Employee Representative Supervisors, the Board resolved to propose that all Non-Employee Representative Supervisors to be re-elected or appointed (as the case may be) will not receive any service fees from the Company for serving as Supervisors.

Both Mr. Mao and Mr. Yang have agreed to re-election or appointment (as the case may be) as proposed above. Their biographical information are set out in Part B of Appendix I to this circular. Separate ordinary resolutions to approve (i) Mr. Mao's re-election; and (ii) Mr. Yang's appointment will be proposed at the EGM for the Shareholders' consideration and approval. The Supervisor representing the employees of the Group shall be elected by the employees of the Group in the form of democratic election. The results of such election will be announced together with the poll results of the EGM.

Ordinary resolutions to consider and approve the election of the abovementioned individuals as Non-Employee Representative Supervisors will be proposed at the EGM. Each of them shall enter into a service agreement with the Company upon becoming effectively appointed by the Shareholders at the EGM. The term of office of each proposed Supervisor is three years, which shall commence from the date on which the appointment is approved by the Shareholders at the EGM or 14 December 2023 (whichever is later), and shall be eligible for re-election upon the expiry of the term of office.

Save as disclosed in Part B of Appendix I to this circular, as at the Latest Practicable Date, each of the abovementioned Non-Employee Representative Supervisor to be re-elected or appointed (as the case may be) (i) has not held any positions with any members of the Group; (ii) is not related to any Directors, senior management or substantial shareholders or the controlling shareholders (as defined under the Listing Rules) of the Company; (iii) is not interested in the H Shares within the meaning of Part XV of the SFO; and (iv) has not held any other directorships in any other listed public companies in the last three years. Save as disclosed in Part B of Appendix I to this circular, as at the Latest Practicable Date, there are no other matters relating to the re-election or appointment of the Non-Employee Representative Supervisors (as the case may be) that should be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

### **V. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Reference is made to the Articles Amendment and DS Re-election Announcement.

On 18 October 2023, the Board also proposed to make the Proposed Amendments for the purposes of (i) indicating that the Board shall have two employee representative Directors who shall be elected or removed by employee meeting of the Company or employee representative meeting of the Company; and (ii) bringing the Articles of Association in line with the actual circumstances of the Company after completion of the H share full circulation of the Company on 31 August 2023.

Details of the Proposed Amendments are set out in Appendix II to this circular.

The Proposed Amendments are prepared in Chinese and the English translation is for reference only. In case there are any inconsistencies between the Chinese version and English version of the Proposed Amendments, the Chinese version shall prevail.

---

## LETTER FROM THE BOARD

---

The legal advisers to the Company as to Hong Kong laws and the PRC laws have respectively confirmed that the Proposed Amendments comply with the applicable requirements of the Listing Rules and do not violate the laws of the PRC. The Company also confirms that there is nothing unusual in the Proposed Amendments from the perspective of a company listed on the Stock Exchange.

The Proposed Amendments and the adoption of the Amended Articles are subject to the approval of the Shareholders by way of a special resolution at the EGM. The Board has resolved to propose a resolution at the EGM to authorise the Board to delegate the management of the Company to handle the approval and filing procedures with relevant regulatory authorities involved in such amendments, and to make adjustments to the wordings of such amendments to the Articles of Association according to the opinions of the regulatory authorities.

### VI. EGM

A notice convening the EGM to be held at 4th Floor, Hall E, Dongyuan 1981, 80 Nanbin Road, Nan'an District, Chongqing, the PRC on Wednesday, 13 December 2023 at 10:00 a.m. is set out in this circular and form of proxy is also enclosed hereto.

The EGM will be held at 4th Floor, Hall E, Dongyuan 1981, 80 Nanbin Road, Nan'an District, Chongqing, the PRC on Wednesday, 13 December 2023 at 10:00 a.m..

Whether or not you intend to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to Computershare Hong Kong Investor Services Limited, the H Share Registrar of the Company in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 24 hours before the time appointed for holding the EGM (i.e. no later than 10:00 a.m. on Tuesday, 12 December 2023) or any adjournment thereof. Completion and return of the forms of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

Pursuant to the Articles of Association, for the purpose of holding the EGM, the record date for determining the entitlement of members of the H Shares to attend and vote at the EGM will be fixed at the close of business of Friday, 1 December 2023). In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificate must be lodged with Computershare Hong Kong Investor Services Limited, the H Share Registrar of the Company in Hong Kong, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 1 December 2023.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes in respect of the resolutions to be proposed at the EGM will be conducted by way of a poll except where the chairperson, in good faith, decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands. Therefore, the resolutions proposed at the EGM will be voted by way of a poll.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, associate of Dima, namely Tianjin Chengfang, who hold 25,520,000 H Shares, representing approximately 38.09% of the issued H Shares as at the Latest Practicable Date, shall abstain from voting on the resolution approving each of the New Dima Group Master Agreements and the respective proposed annual caps contemplated thereunder at the EGM. Save

---

## LETTER FROM THE BOARD

---

as disclosed above, as at the Latest Practicable Date, none of other Shareholders is required to abstain from voting on the resolutions in respect of the each of the New Dima Group Master Agreements and the respective proposed annual caps contemplated thereunder at the EGM.

### VII. BAD WEATHER ARRANGEMENTS

Where gale warning (orange typhoon warning or above), rainstorm warning (orange rainstorm warning or above), extreme weather conditions or other similar event is or are in force at 8:00 a.m. on the date of the EGM, the EGM will be postponed. The Company will post an announcement on its website ([www.dowellservice.com](http://www.dowellservice.com)) and on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) to notify the Shareholders of the date, time and place of the rescheduled meeting.

### VIII. RECOMMENDATION

The Directors consider that all matters proposed to be approved at the EGM are in the interests of the Group and the Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of all the resolutions to be proposed at the EGM.

Your attention is also drawn to the additional information set out in the appendices to this circular.

### IX. WARNING NOTICE

**Completion of the transactions contemplated under each of the New Dima Group Master Agreements is subject to the satisfaction of the conditions precedent. Therefore, the transactions contemplated under each of the New Dima Group Master Agreements may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.**

Yours faithfully,

By order of the Board

**DOWELL SERVICE GROUP CO. LIMITED\***

東原仁知城市運營服務集團股份有限公司

**Luo Shaoying**

*Chairman*

---

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

---

*The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Agreement and the transactions contemplated thereunder:*



### **DOWELL SERVICE GROUP CO. LIMITED\***

### **東原仁知城市運營服務集團股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2352)**

*To the Independent Shareholders*

Dear Sirs or Madams,

#### **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

We refer to the circular dated 21 November 2023 (the “**Circular**”) to the Shareholders of which this letter forms part. Unless otherwise specified, terms defined in the Circular shall have the same meanings in this letter.

We have been appointed to form the Independent Board Committee to advise the Independent Shareholders in respect of the New Dima Group Master Agreements and the transactions contemplated thereunder, details of which are set out in the “Letter from the Board” contained in the Circular. The Independent Financial Adviser has been appointed to advise the Independent Shareholders and us in this regard.

Details of the advice and the principal factors and reasons that the Independent Financial Adviser has taken into consideration in giving such advice are set out in the “Letter from the Independent Financial Adviser” in the Circular. Your attention is also drawn to the “Letter from the Board” in the Circular and the additional information set out in the appendices thereto.

Having taken into account the (i) terms of each of the New Dima Group Master Agreements and the transactions contemplated thereunder; and (ii) the factors referred to in the “Letter from the Independent Financial Adviser” in the Circular, we are of the opinion that (1) the entering into of each of the New Dima Group Master Agreements is in the ordinary and usual course of business of the Company; and (2) the terms of each of the New Dima Group Master Agreements and the transactions contemplated thereunder are (a) fair and reasonable so far as the Shareholders (including the Independent Shareholders) are concerned; (b) on normal commercial terms; and (c) in the interests of the Group and the Shareholders as a whole.



---

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

---

Accordingly, we would recommend you to approve each of the New Dima Group Master Agreements and the transactions contemplated thereunder at the EGM.

Yours faithfully,  
For and on behalf of  
The Independent Board Committee

**Ms. Cai Ying**  
*Independent*  
*non-executive Director*

**Mr. Wang Susheng**  
*Independent*  
*non-executive Director*

**Mr. Song Deliang**  
*Independent*  
*non-executive Director*

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

*The following is the full text of the letter of advice from the Independent Financial Adviser setting out the advice to the Independent Board Committee and the Independent Shareholders in respect of the New Dima Group Master Agreements and the transactions contemplated thereunder, which has been prepared for the purpose of inclusion in this circular.*



---

### PELICAN FINANCIAL LIMITED

---

28/F, Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong Kong

21 November 2023

*To the Independent Board Committee and the Independent Shareholders of  
Dowell Service Group Co. Limited<sup>#</sup> (東原仁知城市運營服務集團股份有限公司)*

Dear Sirs,

### RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

#### INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of, among other matters, the New Dima Group Master Agreements and the proposed annual caps contemplated thereunder, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular of the Company dated 21 November 2023 (the “**Circular**”), of which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

As stated in the Prospectus and the CCT Renewal Announcement, in order to renew the Existing Dima Group Master Agreements, which will be expired on 31 December 2023, on 18 October 2023 (after trading hours), the Company and Dima Group entered into each of the New Dima Group Master Agreements, which includes the (i) New Master City Operations Services Agreement; (ii) New Master Lifestyle Services Agreement; and (iii) New Master FATH and Other Comprehensive Services Agreement.

#### LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Dima is one of the Company’s controlling shareholders and therefore Dima and its associates are connected persons of the Company for the purpose of Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under each of the New Dima Group Master Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

As one or more of the applicable percentage ratios under the Listing Rules in respect of the aggregate annual caps for the New Dima Group Master Agreements exceed 5%, the transactions contemplated under the New Dima Group Master Agreements are subject to the reporting, announcement, circular, annual review and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, associate of Dima, namely Tianjin Chengfang Corporate Management Consultant Company Limited<sup>#</sup> (天津澄方企業管理諮詢有限公司), which hold 25,520,000 H Shares, representing approximately 38.09% of the issued H Shares as at the Latest Practicable Date, shall abstain from voting on the resolution approving each of the New Dima Group Master Agreements and the respective proposed annual caps contemplated thereunder at the EGM. Save as disclosed above, as at the Latest Practicable Date, none of other Shareholders is required to abstain from voting on the resolutions in respect of the each of the New Dima Group Master Agreements and the respective proposed annual caps contemplated thereunder at the EGM.

### INDEPENDENT BOARD COMMITTEE

The Company has established the Independent Board Committee comprising all independent non-executive Directors, namely Ms. Cai Ying, Mr. Wang Susheng and Mr. Song Deliang to advise the Independent Shareholders in respect of the New Dima Group Master Agreements and the transactions contemplated thereunder. We have been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect, and such appointment has been approved by the Independent Board Committee.

### OUR INDEPENDENCE

We are not connected with the Directors, chief executive or substantial Shareholders of the Company or any of their respective associates. In the last two years, there was no other engagement between the Company and us. Apart from normal professional fees payable to us in connection with this appointment of us as the Independent Financial Adviser, no arrangement exists whereby Pelican Financial Limited will receive any fees or benefits from the Company or the Directors, chief executive or substantial Shareholders of the Company or any of their respective associates, and we are not aware of the existence of or change in any circumstances that would affect our independence. As at the Latest Practicable Date, there were no relationships or interests between us and the Group, Dima Group or any of their respective substantial shareholders, directors or chief executives, or their respective associates that could reasonably be regarded as a hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser. Accordingly, we consider that we are eligible to give independent advice on the terms of the New Dima Group Master Agreements and the respective proposed annual caps contemplated thereunder.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Our role is to provide you with our independent opinion and recommendation as to (i) whether the New Dima Group Master Agreements and the respective proposed annual caps contemplated thereunder are entered into in the ordinary and usual course of business of the Group and on normal commercial terms or better; (ii) whether the terms of the New Dima Group Master Agreements and the respective proposed annual caps contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the relevant resolution on the New Dima Group Master Agreements and the respective proposed annual caps contemplated thereunder at the EGM.

### **BASIS OF OUR OPINION**

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have performed relevant procedures and those steps which we deemed necessary in forming our opinions which include, among other things, review of relevant agreements, documents as well as information provided by the Company and verified them, to an extent, to the relevant public information, statistics and market data, the relevant industry guidelines and rules and regulations as well as information, facts and representations provided, and the opinions expressed, by the Company and/or the Directors and/or the management of the Group. The documents reviewed include, but are not limited to, Existing Dima Group Master Agreements, New Dima Group Master Agreements, the Prospectus, the CCT Renewal Announcement, the annual report of the Company for the financial year ended 31 December 2022 (the “**2022 Annual Report**”), the interim report of the Company for the six months ended 30 June 2023 (the “**2023 Interim Report**”) and the Circular. We have assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its management and/or the Directors, which have been provided to us.

The Directors collectively and individually accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and provide a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the Directors and the management of the Group, nor have we conducted any form of an in-depth investigation into the business and affairs or the prospects of the Group.

### **PRINCIPAL FACTORS TAKEN INTO CONSIDERATION**

In formulating our opinion regarding the terms of the New Dima Group Master Agreements and the respective proposed annual caps contemplated thereunder, we have considered the following principal factors and reasons.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### 1. Background of the New Dima Group Master Agreements

Reference is made to the Prospectus where the Company disclosed that it entered into the Existing Dima Group Master Agreements with Dima Group on 10 March 2021, which constituted continuing connected transactions of the Company upon Listing. The Existing Dima Group Master Agreements will be expired on 31 December 2023.

With a view to continue the business with Dima Group in a way that fits the current business environment and circumstances of the Company, on 18 October 2023 (after trading hours), the Company entered into the New Dima Group Master Agreements with Dima Group, which includes the (i) New Master City Operations Services Agreement; (ii) New Master Lifestyle Services Agreement; and (iii) New Master FATH and Other Comprehensive Services Agreement and will become effective on the Effective Date and expire on 31 December 2026.

Set out below are the subject matters of the New Dima Group Master Agreements:

#### *(i) New Master City Operations Services Agreement*

Pursuant to the agreement, the Group shall provide Dima Group and Affiliated Companies (including associates of Dima Group) the property management services to residential and local non-residential properties, including security services, cleaning services, gardening services, facility management services and maintenance services (“**City Operations Services**”).

#### *(ii) New Master Lifestyle Services Agreement*

Pursuant to the agreement, the Group shall provide lifestyle-related value-added services, including among others, Community Events Planning Services, Management and Agency Services and other lifestyle-related value-added services) to Dima Group and Affiliated Companies (including associates of Dima Group). (“**Lifestyle Services**”).

#### *(iii) New Master FATH and Other Comprehensive Services Agreement*

Pursuant to the agreement, the Group shall provide services to foreign-owned enterprises, foreign embassies, international schools, hospitals and medical facilities, as well as other comprehensive value-added services, including among others, Sales Assistance Services, Preliminary Planning Services, digital-technological services, maintenance and rectification services, and other related value-added services to Dima Group and Affiliated Companies (including associates of Dima Group) (“**FATH and Other Comprehensive Services**”).

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

The Group's three main business lines has been reclassified as follows:

| <b>Previous classification of business line</b> | <b>New classification of business line</b> | <b>Material changes in reclassification of the business line</b>                                                                           |
|-------------------------------------------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Property management services                    | City Operations Services                   | Reclassification by removing revenue attributable to foreign-affairs-medical related comprehensive services provided by GSN and Shengkang  |
| Community value-added services                  | Lifestyle Services                         | No material changes                                                                                                                        |
| Value-added services to non-property owners     | FATH and Other Comprehensive Services      | Reclassification by including revenue attributable to foreign-affairs-medical related comprehensive services provided by GSN and Shengkang |

The reclassification of the Group's three main business lines is in accordance with the Group's organisational structure. As (i) services provided by GSN relates to provision of services for foreign-related projects, including services to foreign embassies and international schools; and (ii) services provided by Shengkang relates to foreign-owned enterprises, provision of services for medical-related projects, including services to hospitals and related medical facilities, the Board is of the view that the previous classifications would not accurately represent the Group's provision of services in the abovementioned segments. As the services provided by GSN and Shengkang are (i) more professional; (ii) in line with the Group's business strategies; and (iii) subsegment of foreign-affairs-medical related comprehensive services are more closely connected with comprehensive value-added services to non-property owners, the Board considers that the services provided by GSN and Shengkang would be better reflected under the FATH and Other Comprehensive Services segment. Accordingly, the Board resolved to reclassify the three main business lines to better describe the business activities of the Group. The Board is of the view that such reclassification is in line with the business development of the Group, and would enable the Shareholders to have a better understanding of the Company's business operation status and financial performance going forward.

As confirmed by the Company and the independent auditor of the Company, the reclassification amount in relation to the GSN and Shengkang's foreign-affairs-medical related comprehensive service provided to Dima Group and Affiliated Companies are immaterial.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### 2. Information of the Company and the Group

The Company was incorporated in the PRC on 13 January 2015 as a limited liability company, and was converted into a joint stock company with limited liability under the Company Law of the PRC on 30 December 2020. The Group is a property management service provider that offers comprehensive services for a wide range of property projects in the PRC.

Set out below is a summary of the financial information of the Group for the two years ended 31 December 2022 as extracted from the 2022 Annual Report and the six months ended 30 June 2022 and 2023 as extracted from the 2023 Interim Report respectively.

**Table 1: Summarised financial results of the Group**

|                                                                                                       | For the six months ended |                | For the year ended |                  |
|-------------------------------------------------------------------------------------------------------|--------------------------|----------------|--------------------|------------------|
|                                                                                                       | 30 June                  |                | 31 December        |                  |
|                                                                                                       | 2023                     | 2022           | 2022               | 2021             |
|                                                                                                       | <i>RMB'000</i>           | <i>RMB'000</i> | <i>RMB'000</i>     | <i>RMB'000</i>   |
|                                                                                                       | (Unaudited)              | (Unaudited)    | (Audited)          | (Audited)        |
|                                                                                                       |                          | (Restated)     |                    |                  |
| <i>Revenue</i>                                                                                        |                          |                |                    |                  |
| — Property management services — (reclassified as “City Operations Services”)                         | 510,895                  | 366,254        | 839,782            | 629,028          |
| Community value-added services (reclassified as “Lifestyle Services”)                                 | 120,283                  | 113,956        | 274,952            | 286,851          |
| Value-added services to non-property owners (reclassified as “FATH and Other Comprehensive Services”) | 75,225                   | 126,145        | 227,725            | 277,544          |
| <b>Total Revenue</b>                                                                                  | <b>706,403</b>           | <b>606,355</b> | <b>1,342,459</b>   | <b>1,193,423</b> |
| <b>Gross profit</b>                                                                                   | <b>127,582</b>           | <b>145,723</b> | <b>275,626</b>     | <b>308,923</b>   |
| <b>Profit for the period/year</b>                                                                     | <b>33,193</b>            | <b>55,057</b>  | <b>94,161</b>      | <b>130,395</b>   |

According to the 2022 Annual Report, the Group recorded a revenue of approximately RMB1,342.5 million for the year ended 31 December 2022, representing an increase of approximately RMB149.0 million or 12.5% as compared with RMB1,193.4 million for the year ended 31 December 2021. The increase in revenue was mainly attributable to the increase of revenue from the property management services segment by approximately 33.5% from approximately RMB629.0 million to RMB839.8 million between the two years ended 31 December 2022 which was mainly due to (i) the expansion GFA under management of both residential properties and non-residential properties by approximately 79.4% as compared to that as at 31 December 2021; and (ii) the acquisition of two companies which engage in both residential and non-residential property management services in the second half of 2022. Despite

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

the revenue growth, the Group recorded a decline in gross profit of approximately RMB33.3 million or 10.8% for the year ended 31 December 2022 from RMB308.9 million to RMB275.6 million. This decrease was primarily due to the proportionally larger increase in the cost of sales across all business segments compared to their respective revenue growth. This resulted in a decline in the gross margin for City Operation Services, Lifestyle Services and FATH and Other Comprehensive Services from approximately 23.1%, 29.7%, and 28.1% to 20.8%, 20.2%, and 22.2% respectively. Consequently, the overall gross profit margin decreased from approximately 25.5% to 20.9% between the two years ending 31 December 2022.

As a result, the Group's profit decreased by approximately RMB36.2 million or 27.8%, from approximately RMB130.4 million for the year ended 31 December 2021 to approximately RMB94.1 million for the year ended 31 December 2022.

According to the 2023 Interim Report, the revenue of the Group amounted to approximately RMB706.4 million for the six months ended 30 June 2023, increased by approximately RMB100.0 million or 16.5%, from approximately RMB606.4 million recorded for the same period in 2022. The increase in revenue was mainly due to the increase of revenue generated from property management services which accounted for approximately 72.3% of revenue during the first six months of 2023, which was derived from (i) the continuous expansion of the Group's business, including an increase of approximately 11.9% in GFA under management from approximately 47.4 million sq.m. as at 30 June 2022 to approximately 53.0 million sq.m. as at 30 June 2023; and (ii) the aforementioned acquisitions of two property management companies in PRC, resulting in a corresponding increase in the revenue derived from property management services.

The six-month period ended on 30 June 2023 experienced a decline in gross profit, even amidst the increase in total revenue with a similar trend observed in the year ended 2022. As a result, the Group recorded a profit after tax of approximately RMB33.2 million for the six months ended 30 June 2023, as compared with a profit of approximately RMB55.1 million for the corresponding period in 2022. This decrease amounted to approximately RMB21.9 million or 39.7%, was mainly due to (i) a decrease in the overall gross profit and gross profit margin, in particular within the Lifestyle Services and FATH and Other Comprehensive Services to non-property owners; (ii) an increase in selling and marketing expenses; and (iii) the discontinuation of receiving the listing incentive subsidy from the relevant government authority in Chongqing.



---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Meanwhile, the consolidated assets and liabilities of the Group as at 31 December 2022 and 30 June 2023 as extracted from the 2023 Interim Report are summarized as follows:

**Table 2: Summarised financial position of the Group**

|                           | <b>As at<br/>30 June<br/>2023</b> | <b>As at<br/>31 December<br/>2022</b> |
|---------------------------|-----------------------------------|---------------------------------------|
|                           | (Unaudited)                       | (Unaudited)<br>(Restated)             |
|                           | <i>RMB'000</i>                    | <i>RMB'000</i>                        |
| <b>Total assets</b>       |                                   |                                       |
| — non-current assets      | 369,954                           | 371,882                               |
| — current assets          | 908,226                           | 898,892                               |
|                           | <b>1,278,180</b>                  | <b>1,270,774</b>                      |
| <b>Total liabilities</b>  |                                   |                                       |
| — non-current liabilities | 20,687                            | 21,218                                |
| — current liabilities     | 750,881                           | 765,895                               |
|                           | <b>771,568</b>                    | <b>787,113</b>                        |
| <b>Net current assets</b> | <b>157,345</b>                    | <b>132,997</b>                        |
| <b>Net assets</b>         | <b>506,612</b>                    | <b>483,661</b>                        |

The Group's total assets were approximately RMB1,270.8 million and RMB1,278.2 million as at 31 December 2022 and 30 June 2023, respectively. As at 30 June 2023, the non-current assets of the Group amounted to approximately RMB370.0 million, mainly comprised of (i) intangible assets of approximately RMB277.4 million; (ii) property, plant and equipment of approximately RMB33.1 million; (iii) investments accounted for using the equity method of approximately RMB22.2 million; and (iv) deferred income tax assets of approximately RMB13.7 million. Meanwhile, the Group's current assets amounted to RMB908.2 million as at 30 June 2023, mainly consisted of (i) trade, bills and other receivables of approximately RMB695.8 million; (ii) cash and cash equivalents (including restricted cash balance) of approximately RMB133.0 million; (iii) inventories of approximately RMB40.3 million; (iv) prepayments of approximately RMB32.9 million; and (v) dividend receivables of approximately RMB5.4 million.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

On the other hand, the Group recorded total liabilities of approximately RMB787.1 million and RMB771.6 million as at 31 December 2022 and 30 June 2023, respectively. The non-current liabilities of the Group as at 30 June 2023 amounted to approximately RMB20.7 million, comprised of (i) deferred income tax liabilities of approximately RMB15.8 million; (ii) lease liabilities of approximately RMB2.9 million; and (iii) financial liabilities at fair value through profit or loss of approximately RMB2.0 million. As at 30 June 2023, the current liabilities of the Group amounted to RMB750.9 million, which mainly comprised of (i) trade payables of approximately RMB262.5 million; (ii) accruals and other payables of approximately RMB257.2 million; (iii) contract liabilities of approximately RMB206.9 million; and (iv) dividend payables of approximately RMB9.4 million.

As such, the consolidated net current assets and net assets of the Group as at 30 June 2023 amounted to approximately RMB157.3 million and RMB506.6 million respectively, which was increased by 24.9% and 4.3% from approximately RMB126.0 million and RMB485.9 million as at 31 December 2022 respectively. The change was due to the combined effect of increased current assets and decreased current liabilities, reflecting a strengthening of the Group's overall financial position.

### **3. Information of Dima Group**

Dima is a limited liability company incorporated in PRC. Dima Group is principally engaged in (i) development and investment of residential and commercial properties in the PRC; and (ii) manufacturing of vehicles with various types of use.

As at the Latest Practicable Date, Dima was an A-share company listed on the Shanghai Stock Exchange and was owned by Chongqing Doyen and Chongqing Shuorun as to approximately 35.55% and 3.01% respectively. Chongqing Shuorun was owned by Chongqing Doyen and Ms. Chiu as to approximately 98.96% and 1.04% respectively, while Chongqing Doyen was owned by Mr. Lo and Ms. Chiu as to approximately 77.78% and 22.22% respectively.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### 4. Outlook of the property management industry in the PRC

The property management industry in the PRC has been growing in the past years evidenced by the increase in the GFA under management and number of properties managed by property management companies as a result of nationwide urbanisation and continual growth in per capita disposable income in the PRC. Set out below are: (i) the summary of the urbanisation levels in the PRC from 2017 to 2022; and (ii) the annual per capita disposable income of urban households in the PRC from 2017 to 2022 published by 國家統計局 (The National Bureau of Statistics of China<sup>#</sup>) (the “NBS”):

#### *Summary of the urbanisation levels in the PRC from 2017 to 2022*

|                                | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    |
|--------------------------------|---------|---------|---------|---------|---------|---------|
| Total population (in millions) | 1,400.1 | 1,405.4 | 1,410.1 | 1,412.1 | 1,412.6 | 1,411.8 |
| Urban population (in millions) | 843.4   | 864.3   | 884.2   | 902.2   | 914.3   | 920.7   |
| Urbanisation Rate (%)          | 60.2%   | 61.5%   | 62.7%   | 63.9%   | 64.7%   | 65.2%   |

#### *Summary of the annual per capita disposable income of urban households in the PRC from 2017 to 2022*

|                                                                     | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   |
|---------------------------------------------------------------------|--------|--------|--------|--------|--------|--------|
| Annual per capita disposable<br>income of urban households<br>(RMB) | 36,396 | 39,251 | 42,359 | 43,834 | 47,412 | 49,283 |

As extracted from the NBS, the urbanisation rate of the PRC increased steadily from approximately 60.2% in 2017 to approximately 65.2% in 2022. The per capita disposable income of urban households in the PRC increased from approximately RMB36,396 in 2017 to approximately RMB49,283 in 2022, representing a compound annual growth rate (“CAGR”) of approximately 6.3%.

In addition, according to 中國社會科學院財經戰略研究院 (The National Academy of Economic Strategy of the Chinese Academy of Social Sciences<sup>#</sup>), a research institute for economic policies in the PRC, the proportion of permanent urban residents of the PRC’s total population is expected to reach 70% by 2035<sup>1</sup>. As the progress of urbanisation and the continuous growth in per capita disposable income of urban households carry on, the supply of commodity residential properties (being residential properties developed for sale) in the PRC has followed a similar trend.

---

<sup>1</sup> For details, please refer to (i) <https://data.stats.gov.cn/english/easyquery.htm?cn=C01> and (ii) <https://data.stats.gov.cn/english/easyquery.htm?cn=C01>

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

As emphasised at 中國共產黨第二十次全國代表大會 (The 20th National Congress of the Communist Party of China) in 2022, the PRC Government must strive to realise, safeguard, and advance the fundamental interests of the Chinese people and do everything within its capacity to resolve the most practical problems that are of the greatest and most direct concern to the Chinese people. The increasing trend of urbanisation rate, per capita disposable income of urban households and GFA under construction, coupled with the supportive policy environment in the PRC have increased the demand for better living conditions and high-quality property management services which serve as the underlying drivers for the growth of the property management industry in the PRC.

In light of the above, the future prospects of the property management industry in the PRC appear to be generally positive.

### **5. Reasons for and benefits of entering into the New Dima Group Master Agreement**

As stated in the Board Letter, the Group has been, in the ordinary and usual course of business, providing property management services and value-added services (i.e. City Operations Services, Lifestyle Services, and FATH and Other Comprehensive Services) to Dima Group and Affiliated Companies (including associates of Dima Group) before Listing in 2022. Based on the established long-term cooperation relationship, the Group has gained thorough understanding of the conditions of the property projects of Dima Group and Affiliated Companies (including associates of Dima Group), and is familiarised with the strategy and requirements of Dima Group and Affiliated Companies (including associates of Dima Group).

According to the 2023 Interim Report, the Company leveraging the close relationship with Dima Group, the GFA under management of projects sourced from Dima Group reached approximately 15.8 million sq.m., representing an increase by approximately 8.6% as compared to the same as at 30 June 2022. The entering into of the New Dima Group Master Agreements is conducive to continuous business stability of the Group and is expected to generate stable income for the Group.

Based on our independent review, entering into the New Dima Group Master Agreements would allow the Group to (i) accumulate relevant experience and strengthen its existing corporation with the Dima Group given that the existing cooperation between them has been satisfactory and that the Dima Group has been a long-term reliable customer; (ii) extend the contractual terms of the relevant agreements, ensuring the Group has a recurring and stable source of income to reinforce its revenue stream and cash flow and (iii) to carry out its ordinary and usual course of business as a property management provider that bring about significant synergy effect and further promote the business growth of the Group in the property development market as a whole in the long run. As such, and also considering the positive outlook of the property management industry in the PRC as discussed in the section headed “4. Outlook of the property management industry in the PRC” above, the pricing policy and internal control system of the Company which will be discussed in the later section headed “7. Internal Control and Pricing Policy Measure” in this letter, we are of the view that entering into of the New Dima Group Master Agreements is in the interests of the Company and the Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### 6. Principal terms of the New Dima Group Master Agreements

#### 6.1. New Master City Operations Services Agreement

The following table summarises the principal terms of the agreement:

|                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Date:</b>            | 18 October 2023 (after trading hours)                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Parties:</b>         | (i) The Company (as service provider); and<br><br>(ii) Dima Group (as service recipient)                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Term:</b>            | From the Effective Date to 31 December 2026 (both days inclusive)                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Subject matters:</b> | Pursuant to the New Master City Operations Services Agreement, the Group shall provide Dima Group and Affiliated Companies (including associates of Dima Group) the City Operations Services (i.e. property management services to residential and local non-residential properties, including security services, cleaning services, gardening services, facility management services and maintenance services).                                                                                                    |
| <b>Pricing basis:</b>   | The service fees to be charged pursuant to the New Master City Operations Services Agreement shall be determined after arm's length negotiations and, with reference to the prevailing market price for similar services (taking into account of the location of the property projects, the expected operational costs (including, among others, labour costs, material costs and administrative costs)) and the prices charged by the Group for the provision of comparable services to Independent Third Parties. |

In determining whether the pricing basis for proposed annual caps for the transactions contemplated under the New Master City Operations Services Agreement is fair and reasonable, the Company would compare at least three quotations offered to the Independent Third Parties by the Group. After comparing six quotations offered to the Independent Third Parties from the commencement of the Existing Master City Operations Services Agreement to September 2023, the Directors confirm that the abovementioned pricing basis is fair and reasonable, and no less favourable to the Group than those available to the Independent Third Parties.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

**Payment terms:** Pursuant to the New Master City Operations Services Agreement, separate agreements shall be entered into between the Group (as service provider) and the relevant member of Dima Group or the relevant Affiliated Company (as customer) for provision of the City Operations Services at different property projects of Dima Group and Affiliated Companies located at various locations across the PRC. Each agreement shall include details of the transaction governing the provision of City Operations Services by the Group to each specific property project of Dima Group and Affiliated Companies. Generally, the Group may charge property management fees on a monthly basis. The fees for provision of City Operations Services are typically due for payment by Dima Group and Affiliated Companies upon the Group's issuance of a demand note.

For details on the terms of the New Master City Operations Services Agreement, please refer to the sub-section headed "New Master City Operations Services Agreement" under the section headed "The New Dima Group Master Agreements" in the Board Letter.

### *Documents obtained and reviewed*

In connection with the New Master City Operations Services Agreement, we have obtained, reviewed and examined (i) a preliminary schedule setting out the projected fees receivable by the Group from Dima Group and Affiliated Companies to the Group from the effective date to 31 December 2026 for providing City Operations Services; (ii) a schedule setting out the actual service fees receivable by the Group from Dima Group and Affiliated Companies under the Existing Master City Operations Services Agreement; (iii) the estimated size and number of projects to be delivered by Dima Group for the three years ending 31 December 2026; (iv) 6 samples of engagements entered into between the Group and Dima Group and 6 samples of engagements entered into between the Group and Independent Third Parties in the period between March 2021 and September 2023 (the "COS Samples").

### *Basis for determining price and other terms and our analysis*

Under the New Master City Operations Services, the Group provides Dima Group and Affiliated Companies a bundle of property management services to residential and local non-residential properties, including security services, cleaning services, gardening services, facility management services and maintenance services. Pursuant to the agreement, the service fees to be charged by the Group shall be determined after arm's length negotiations and with respect to the prevailing market price for similar services (taking into account the location of the property projects, the expected operational costs (including, among others, labour costs, material costs and administrative costs)), and the prices charged by the Group for the provision of comparable services to Independent Third Parties.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

In determining whether the pricing basis for City Operations Services is fair and reasonable, we have obtained, reviewed and examined 12 randomly-selected COS Samples (6 samples of engagements entered into between the Group and Dima Group and Affiliated Companies and 6 samples of engagements entered into between the Group and Independent Third Parties) for such services from the commencement of the Existing Master City Operations Services Agreement to September 2023 and compared each other with the price of similar services provided by the Group to (i) Dima Group and Affiliated Companies and (ii) Independent Third Parties during the same period. From our review, we are of the view that the pricing terms of the COS Samples are no more favourable to Dima Group and Affiliated Companies than those of similar services offered by the Group to Independent Third Parties. Meanwhile, given that the samples were selected on a random basis, we also consider that the samples reviewed are fair and representative and sufficient in supporting our analysis.

*Basis for determining the annual caps and our analysis*

Set out below are the existing annual caps under the Existing Master City Operations Services Agreement and the proposed annual caps under the New Master City Operations Services Agreement.

|                              | <b>For the year<br/>ended 31<br/>December 2022</b> | <b>For the 6<br/>months ended<br/>30 June 2023</b> |
|------------------------------|----------------------------------------------------|----------------------------------------------------|
|                              | (Audited)                                          | (Unaudited)                                        |
|                              | RMB'000                                            | RMB'000                                            |
| Aggregate transaction amount | 41,800                                             | 22,800                                             |
| Annual Cap                   | 65,500                                             | 87,100 <sup>(1)</sup>                              |
| <i>Utilisation rate</i>      | 63.9%                                              | 52.4% <sup>(2)</sup>                               |

|                     | <b>For the year ending 31 December</b> |             |             |
|---------------------|----------------------------------------|-------------|-------------|
|                     | <b>2024</b>                            | <b>2025</b> | <b>2026</b> |
|                     | RMB'000                                | RMB'000     | RMB'000     |
| Proposed Annual Cap | 50,355                                 | 53,664      | 54,760      |

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

*Note:*

- (1) The annual caps for transactions contemplated under the Existing Master City Operations Services Agreement are for the year ending 31 December 2023.
- (2) The utilisation rate for transactions contemplated under the Existing Master City Operations Services Agreement for the 6 months ended 30 June 2023 were calculated using half of the annual caps set out for the year ended 31 December 2023.

In determining the proposed annual caps for City Operations Services under the New Master City Operations Services, the Group has taken into account:

- (i) the historical transaction amount in respect of the Existing Master City Operations Services Agreement as shown in the above table;
- (ii) the costs incurred for the City Operations Services during the three years ended 31 December 2022 and the six months ended 30 June 2023;
- (iii) the estimated transaction amount for the three years ending 31 December 2026 based on the Group's existing signed City Operations Services agreements with Dima Group. As at 30 September 2023, the Group were contracted to manage 121 property projects sourced from Dima Group and Affiliated Companies (including associates of Dima Group) with a total contracted GFA of approximately 20.5 million sq.m.;
- (iv) the estimated size and number of property projects to be delivered by Dima Group for the three years ending 31 December 2026, which is based on the total construction area and land bank held by Dima Group as at 31 March 2023. According to the quarterly report of Dima Group for the three months ended 31 March 2023, Dima Group had land bank and total planned construction area of approximately 2.3 million sq.m. and 18.6 million sq.m., respectively;
- (v) the proportion of property projects developed by Dima Group and Affiliated Companies (including associates of Dima Group) which were managed by the Group, and the Group's estimated operation capacity for the three years ending 31 December 2026; and
- (vi) the estimated monthly City Operations Services fees to be charged in respect of residential and local non-residential properties sourced from Dima Group and Affiliated Companies (including associates of Dima Group), which are assumed to remain the same as the average monthly City Operations Services fees charged for the year ending 31 December 2026.

To assess the fairness and reasonableness of the above determining basis of the proposed annual caps under the New Master City Operations Services Agreement, we have obtained the documents as mentioned above in the sub-section "Documents obtained and reviewed". We have also discussed with the management the basis of the estimation of the service fee receivable from Dima Group and Affiliated Companies during the term of the New Master City Operations Services Agreement, we understand



---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

that the annual cap was determined based on, among others, the estimated property management fees to be collected from unsold or vacant property units, which is calculated by the area of unsold or vacant property units, property management fees per square meter and the length of the vacancy period.

We noticed that from the above table, the utilisation rate has dropped from approximately 63.9% in 2022 to approximately 52.4% in the first half of 2023. As despite there is an increase in the pro rata transaction amount, the actual transaction amount for services under Existing Master City Operations Services Agreement were lower than expected when determining the caps back in 2022 mainly due to the fact that the business of Dima Group and Affiliated Companies was negatively impacted by the COVID pandemic and real estate industry downturn. In light of the declining utilisation rate observed during the term of the Existing Master City Operations Services Agreement, the Group has made a decision to revise and lower the annual cap for the coming three years.

Notwithstanding, we noted that the Group has contracted to manage 121 property projects sourced from Dima Group and Affiliated Companies (including associates of Dima Group) with a total contracted GFA of approximately 20.5 million sq.m. as at 30 September 2023. Based on the 2022 Annual Report and the 2023 Interim Report, the GFA under management of the Group from property projects sourced from Dima Group and Affiliated Companies were approximately 14.3 million, 18.6 million and 19.3 million sq. m respectively, indicating a growth pattern in the Group's managed portfolio. On the other hand, Dima Group had a land bank and total planned construction area of approximately 2.3 million sq.m. and 18.6 million sq.m. as at 31 March 2023, respectively. We understand that the proposed annual cap of this agreement is based on the estimated property management fees, which account for the anticipated growth of the property projects and size to be delivered by Dima Group and Affiliated Companies for the three years ending 31 December 2026 and are in line with the scale of anticipated growth of the property projects and size to be delivered by Dima Group and Affiliated Companies, plus a buffer for flexibility.

In addition, we noted that the relevant proposed annual caps for the 3 years ending 31 December 2026 of approximately RMB50.4 million, RMB53.7 million and RMB54.8 million, respectively, included a prudence growth rate estimation which accounted for approximately 3.8%, 4.0% and 4.1% of the Group's revenue of approximately RMB1,342.5 million for the year ended 31 December 2022. Given that the Group is expected to further expand its property portfolio and business scale through multiple channels in the coming years, we are of the view that there is and would be no material reliance of the Group on the Dima Group and Affiliated Companies for the City Operations Services and that the relevant proposed annual caps are fair and reasonable so far as the Independent Shareholders are concerned.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### 6.2. *New Master Lifestyle Services Agreement*

The following table summarises the principal terms of the agreement:

|                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Date:</b>            | 18 October 2023 (after trading hours)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Parties:</b>         | (i) The Company (as service provider); and<br><br>(ii) Dima Group (as service recipient)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Term:</b>            | From the Effective Date to 31 December 2026 (both days inclusive)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Subject matters:</b> | <p>Pursuant to the New Master Lifestyle Services Agreement, the Group agreed to provide the following lifestyle-related value-added services to Dima Group and Affiliated Companies (including associates of Dima Group):</p> <ul style="list-style-type: none"><li>• Community Events Planning Services (i.e. organising events for residents and property developers);</li><li>• Management and Agency Services (i.e. (i) car parking spaces management services, including but not limited to, entry or exit control, cleaning, surveillance and collection of parking fees; and (ii) car parking spaces and property sales services, including but not limited to, providing marketing and sales services for car parking spaces and property located at property projects sourced from Dima Group and Affiliated Companies (including associates of Dima Group));</li><li>• utility maintenance services; and</li><li>• other lifestyle-related value-added services.</li></ul> |
| <b>Pricing basis:</b>   | The service fees to be charged pursuant to the New Master Lifestyle Services Agreement shall be determined after arm's length negotiations and, with reference to the prevailing market price for similar services (taking into account of the location of the property projects, the expected operational costs (including, among others, labour costs, material costs and administrative costs)) and the prices charged by the Group for the provision of comparable services to Independent Third Parties.                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

In determining whether the pricing basis for the proposed annual caps for the transactions contemplated under the New Master Lifestyle Services Agreement is fair and reasonable, the Company would compare at least three quotations offered to the Independent Third Parties by the Group. After comparing four quotations offered to the Independent Third Parties from the commencement of the Existing Master Lifestyle Services Agreement to September 2023, the Directors confirm that the abovementioned pricing basis is fair and reasonable, and no less favourable to the Group than those available to the Independent Third Parties.

**Payment terms:**

Pursuant to the New Master Lifestyle Services Agreement, separate agreements shall be entered into between the Group (as service provider) and the relevant member of Dima Group or the relevant Affiliated Company (as customer) for provision of specific lifestyle value-added service(s) by the Group based on specific property project(s) of Dima Group and/or Affiliated Companies. Each agreement shall include details of the transaction governing the provision of lifestyle-related value-added services by the Group to relevant member of Dima Group or Affiliated Company based on specific property project(s) of Dima Group and/or Affiliated Companies. Depending on the nature of the services rendered by the Group and terms of the specific agreements, the Group may charge Dima Group and Affiliated Companies on periodic basis or on one-off basis.

For details on the terms of the New Master Lifestyle Services Agreement, please refer to the sub-section headed “New Master Lifestyle Services Agreement” under the section headed “The New Dima Group Master Agreements” in the Board Letter.

*Documents obtained and reviewed*

In connection with the New Master Lifestyle Services Agreement, we have obtained, reviewed and examined (i) a preliminary schedule setting out the projected service fees receivable by the Group from Dima Group and Affiliated Companies from the effective date to 31 December 2026 for providing Lifestyle Services; (ii) a schedule setting out the actual service fees receivable by the Group from Dima Group and Affiliated Companies under the Existing Master Lifestyle Services Agreement; (iii) the estimated size and number of projects to be delivered by Dima Group and Affiliated Companies for the three years ending 31 December 2026; and (iv) 4 samples of engagements entered into between the Group and Dima Group and 4 samples of engagements entered into between the Group and Independent Third Parties in the period between March 2021 and September 2023 (the “LS Samples”).

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### *Basis for determining price and other terms and our analysis*

Under the New Master Lifestyle Services Agreement, the Group provides Dima Group and Affiliated Companies a bundle of lifestyle value-added services, including, among others, (i) car parking spaces management services; (ii) car parking spaces and property sales services, community events planning services for residents and property developers. Pursuant to the agreement, the service fees to be charged by the Group shall be determined after arm's length negotiations and, with reference to the prevailing market price for similar services (taking into account of the location of the property projects, the expected operational costs (including, among others, labour costs, material costs and administrative costs)) and the prices charged by the Group for the provision of comparable services to Independent Third Parties.

In determining whether the pricing basis for Lifestyle Services is fair and reasonable, we have obtained, reviewed and examined 8 randomly-selected LS Samples (4 samples of engagements entered into between the Group and Dima Group and Affiliated Companies and 4 samples of engagements entered into between the Group and Independent Third Parties) for such services from the commencement of Existing Master Lifestyle Services Agreement to September 2023 and compared each other with the price of similar services provided by the Group to (i) Dima Group and Affiliated Companies and (ii) Independent Third Parties during the same period. From our review, we are of the view that the pricing terms of the LS Samples is no more favourable to Dima Group and Affiliated Companies than that of similar services offered by the Group to Independent Third Parties. Meanwhile, given that the samples were selected on a random basis, we also consider that the samples reviewed are fair and representative and sufficient in supporting our analysis.

### *Basis for determining the annual caps and our analysis*

Set out below are the existing annual caps under the Existing Master Lifestyle Services Agreement and the proposed annual caps under the New Master Lifestyle Services Agreement.

|                              | <b>For the year<br/>ended 31<br/>December 2022</b> | <b>For the 6<br/>months ended<br/>30 June 2023</b> |
|------------------------------|----------------------------------------------------|----------------------------------------------------|
|                              | (Audited)                                          | (Unaudited)                                        |
|                              | RMB'000                                            | RMB'000                                            |
| Aggregate transaction amount | 65,100                                             | 18,300                                             |
| Annual Cap                   | 122,130                                            | 132,770 <sup>(1)</sup>                             |
| Utilisation rate             | 53.3%                                              | 27.6% <sup>(2)</sup>                               |

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

|                     | For the year ending 31 December |         |         |
|---------------------|---------------------------------|---------|---------|
|                     | 2024                            | 2025    | 2026    |
|                     | RMB'000                         | RMB'000 | RMB'000 |
| Proposed Annual Cap | 48,951                          | 56,344  | 61,256  |

*Note:*

- (1) The annual caps for transactions contemplated under the Existing Master Lifestyle Services Agreement are for the year ending 31 December 2023.
- (2) The utilisation rate for transactions contemplated under the Existing Master Lifestyle Services Agreement for the 6 months ended 30 June 2023 was calculated using half of the annual caps set out for the year ended 31 December 2023.

When setting the above proposed annual caps for the transactions contemplated under the New Master Lifestyle Services Agreement, the Directors (i) reviewed the historical transaction amounts in respect of the Existing Master Lifestyle Services Agreements of approximately RMB85.7 million, RMB113.7 million, RMB65.1 million and RMB18.3 million for the three years ended 31 December 2022 and the six months ended 30 June 2023, respectively; and (ii) compared such historical transaction amounts with the annual caps for the transactions contemplated under the Existing Master Lifestyle Services Agreement (i.e. RMB122.1 million and RMB132.8 million for the two years ending 31 December 2023). The Directors noted that the actual transaction amounts for services rendered under the Existing Master Lifestyle Services Agreement was much lower than expected transaction amounts when determining the annual caps for the transactions contemplated under the Existing Master Lifestyle Services Agreement at the material time in 2022. In particular, the utilisation rate of the annual caps for the transactions contemplated under the Existing Master Lifestyle Services Agreement decreased from approximately 53.3% for the year ended 31 December 2022 to approximately 27.6% for the six months ended 30 June 2023. This is mainly due to the fact that the business of Dima Group and Affiliated Companies was negatively impacted by the COVID pandemic and real estate industry downturn in the PRC in 2022 and the first half of 2023.

The Directors are of the view that such circumstances would subsist for a period of time, and thus consider it is appropriate to lower the proposed annual caps for the transactions contemplated under the New Master Lifestyle Services Agreement from the historical annual caps for the transactions contemplated under the Existing Master Lifestyle Services Agreement in order to reflect the actual utilisation rate.

Nevertheless, the Directors consider it is necessary to set the proposed annual caps for the transactions contemplated under the New Master Lifestyle Services Agreement with an increment for each year ending 31 December 2026 after having considered the following factors in a comprehensive manner:

- (i) the number of property projects developed and delivered by Dima Group and Affiliated Companies, the expected number of property projects to be developed and delivered by Dima Group and Affiliated Companies

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

(including associates of Dima Group) and the expected contract sum for Community Events Planning Services, Management and Agency Services and other lifestyle-related value-added services with reference to the existing agreements regarding the provision of Community Events Planning Services, Management and Agency Services and other lifestyle-related value-added services;

- (ii) the expected increase in the number of property projects for the three years ending 31 December 2026, with reference to (a) the business development plan of Dima Group and Affiliated Companies (including associates of Dima Group) and (b) the Group's estimation on the number of new property projects of Dima Group. It is estimated that there will be a total of approximately 129 property projects with GFA under management of approximately 24.2 million sq.m. to be delivered by Dima Group for the three years ending 31 December 2026
- (iii) the number of vacant car parking spaces, car parking space management fees per unit and the length of vacant period – after taking into account the expected increase in the number of car parking spaces to be developed by Dima Group and Affiliated Companies (including associates of Dima Group), and managed by and sold through the assistance of the Group for the three years ending 31 December 2026 based on the future development plan of Dima Group and Affiliated Companies (including associates of the Dima Group);
- (iv) the expected annual increase in the charging rates for the Community Events Planning Services, Management and Agency Services and other value-added services with reference to the Group's charging rates during the three years ended 31 December 2022 and the six months ended 30 June 2023 and the expected increase in the relevant cost and market price for such services, taking into account, among others, of the increase in the labour cost for the relevant services in the forthcoming years.

To assess the fairness and reasonableness of the above determining basis of the proposed annual caps under the New Master Lifestyle Services Agreement, we have obtained the documents as mentioned above in the sub-section "Documents obtained and reviewed". We have also discussed with the management the basis of the estimation of the service fee receivable from Dima Group and Affiliated Companies during the term of the New Master Lifestyle Services Agreement. We understand that the factors taken into account for determining the proposed annual cap are based on, among others, the historical transaction amounts and the estimated services fee for Community Events Planning Services and Management and Agency Services, which were derived taking into account (i) the number of vacant car parking spaces; (ii) car parking space management fees per unit; (iii) the length of vacant period; (iv) the charging rates on the existing contracts in relation to the similar services; (v) the estimated number of property projects to be developed by Dima Group and Affiliated

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Companies for the three years ending 31 December 2026; and (vi) the estimated contract sum with reference to the charging rates on the existing contracts in relation to the same services.

We noticed that the, from the above table, the utilisation rate has dropped from approximately 53.3% in 2022 to approximately 27.6% in the first half of 2023, which was due to the actual transaction amounts for services under the Existing Master Lifestyle Services Agreement were lower than expected when determining the caps back in 2022, which was mainly due to the fact that the business of Dima Group and Affiliated Companies was negatively impacted by the COVID pandemic and real estate industry downturn. Similarly, as mentioned under the New Master City Operations Services Agreement, the Group has made a decision to revise and lower the annual cap for the coming three years.

In light of the above and upon assessing the methodology and factors considered in setting the caps, we are of the view that the proposed annual caps for the three years ending 2026 are fair and reasonable with a prudent growth rate with a range of 3.6-4.6% per year taking into account of expected recovery of the business of Dima Group and Affiliated Companies plus a buffer for flexibility.

In addition, we noted that the relevant proposed annual caps for the 3 years ending 31 December 2026 of approximately RMB49.0 million, RMB56.3 million and RMB61.3 million, respectively, included a prudent growth rate estimation which accounted for approximately 3.6%, 4.2% and 4.6% of the Group's revenue of approximately RMB1,342.5 million for the year ended 31 December 2022. Given that the Group is expected to further expand its property portfolio and business scale through multiple channels, the Group's revenue is expected to further increase in the coming years, we are of the view that there is and would be no material reliance on the Group on the Dima Group for the Lifestyle Services and that the relevant proposed annual caps are fair and reasonable so far as the Independent Shareholders are concerned.

### **6.3. New Master FATH and Other Comprehensive Services Agreement**

The following table summarises the principal terms of the agreement:

|                 |                                                                                      |
|-----------------|--------------------------------------------------------------------------------------|
| <b>Date:</b>    | 18 October 2023 (after trading hours)                                                |
| <b>Parties:</b> | (i) The Company (as service provider); and<br>(ii) Dima Group (as service recipient) |
| <b>Term:</b>    | From the Effective Date to 31 December 2026 (both days inclusive)                    |

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

**Subject matters:**

Pursuant to the New Master FATH and Other Comprehensive Services Agreement, the Group agreed to provide the following other comprehensive value-added services to Dima Group and Affiliated Companies (including associates of Dima Group):

- Sales Assistance Services (i.e. assisting in property sales activities, which include visitor reception, cleaning, security inspection, maintenance and other customer-related services);
- Preliminary Planning Services (i.e. advisory services on the overall project design and planning and coordination of presale activities);
- digital and intelligent technology services;
- maintenance and rectification services, which include fire prevention facilities, machinery, electrical and associated works; and
- other related comprehensive value-added services.

**Pricing basis:**

The service fees to be charged pursuant to the New Master FATH and Other Comprehensive Services Agreement shall be determined after arm's length negotiations and, with reference to the prevailing market price for similar services (taking into account of the location of the property projects, the expected operational costs (including, among others, labour costs, material costs and administrative costs)) and the prices charged by the Group for the provision of comparable services to Independent Third Parties.

In determining whether the pricing basis for the proposed annual caps for the transactions contemplated under the New Master FATH and Other Comprehensive Services Agreement is fair and reasonable, the Company would compare at least three quotations offered to the Independent Third Parties by the Group. After comparing four quotations offered to the Independent Third Parties from the commencement of the Existing Master FATH and Other Comprehensive Services Agreement to September 2023, the Directors confirm that the abovementioned pricing basis is fair and reasonable, and no less favourable to the Group than those available to the Independent Third Parties.



---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

**Payment terms:** Pursuant to the New Master FATH and Other Comprehensive Services Agreement, separate agreements shall be entered into between the Group (as service provider) and the relevant member of Dima Group or the relevant Affiliated Company (as customer) for provision of specific other comprehensive value-added service(s) by the Group based on specific property project(s) of Dima Group and/or Affiliated Companies. Each agreement shall include details of the transaction governing the provision of other comprehensive value-added services by the Group to relevant member of Dima Group or Affiliated Company based on specific property project(s) of Dima Group and/or Affiliated Companies. Depending on the nature of the services rendered by the Group and terms of the specific agreements, the Group may charge Dima Group and Affiliated Companies on periodic basis or on one-off basis.

For details on the terms of the New Master FATH and Other Comprehensive Services Agreement, please refer to the sub-section headed “New Master FATH and Other Comprehensive Services Agreement” under the section headed “The New Dima Group Master Agreements” in the Board Letter.

### *Documents obtained and reviewed*

In connection with the New Master FATH and Other Comprehensive Services Agreement, we have obtained, reviewed and examined (i) a preliminary schedule setting out the projected service fees receivable by the Group from Dima Group and Affiliated Companies Services from the effective date to 31 December 2026 for providing FATH and Other Comprehensive Services; (ii) a schedule setting out the actual service fees received by the Group from Dima Group and Affiliated Companies to the Group under the Existing Master FATH and Other Comprehensive Services Agreement; (iii) the estimated size and number of projects to be delivered by Dima Group for the three years ending 31 December 2026; and (iv) 4 samples of engagements entered into between the Group and Dima Group and Affiliated Companies and 4 samples of engagements entered into between the Group and Independent Third Parties in the period between March 2021 and September 2023 (the “FATH Samples”).

### *Basis for determining price and other terms and our analysis*

Under the New Master FATH and Other Comprehensive Services, the Group provides value-added services to foreign-owned enterprises, foreign embassies, international schools, hospitals and medical facilities, including, among others, Sales Assistance Services, Preliminary Planning Services and other related value-added services to Dima Group and Affiliated Companies. Pursuant to the agreement, the service fees to be charged by the Group shall be determined after arm’s length negotiations and, with reference to the prevailing market price for similar services

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

(taking into account of the location of the property projects, the expected operational costs (including, among others, labour costs, material costs and administrative costs)) and the prices charged by the Group for the provision of comparable services to Independent Third Parties.

In determining whether the pricing basis for FATH and Other Comprehensive Services is fair and reasonable, we have obtained, reviewed and examined 8 randomly selected FATH Samples (4 samples of engagements entered into between the Group and Dima Group and Affiliated Companies and 4 samples of engagements entered into between the Group and Independent Third Parties) for such services from the commencement of Existing Master FATH and Other Comprehensive Services Agreement to September 2023 and compared each other with the price of similar services provided by the Group to (i) Dima Group and Affiliated Companies and (ii) Independent Third Parties during the same period. From our review of FATH Samples, we noted that the value-added service fees offered by the Group to Dima Group and Affiliated Companies is no more favourable to Dima Group and Affiliated Companies than those similar services offered by the Group to Independent Third Parties. Hence, we are of the view that the pricing terms of the FATH Samples offered by the Group are in line with, or better than, the terms offered to Independent Third Parties. Meanwhile, given that the samples were selected on a random basis, we also consider that the samples reviewed are fair and representative and sufficient in supporting our analysis.

### *Basis for determining the annual caps and our analysis*

Set out below are the existing annual caps under the Existing Master FATH and Other Comprehensive Services Agreement and the proposed annual caps under the New Master FATH and Other Comprehensive Services Agreement.

|                              | <b>For the year<br/>ended 31<br/>December 2022</b> | <b>For the 6<br/>months ended<br/>30 June 2023</b> |
|------------------------------|----------------------------------------------------|----------------------------------------------------|
|                              | (Audited)                                          | (Unaudited)                                        |
|                              | RMB'000                                            | RMB'000                                            |
| Aggregate transaction amount | 144,700                                            | 38,400                                             |
| Annual Cap                   | 245,700                                            | 298,200 <sup>(1)</sup>                             |
| <i>Utilisation rate</i>      | <i>58.9%</i>                                       | <i>25.8%<sup>(2)</sup></i>                         |
|                              | <b>For the year ending 31 December</b>             |                                                    |
|                              | <b>2024</b>                                        | <b>2025</b>                                        |
|                              | RMB'000                                            | RMB'000                                            |
|                              | <b>2026</b>                                        | <b>2026</b>                                        |
|                              | RMB'000                                            | RMB'000                                            |
| Proposed Annual Cap          | 70,946                                             | 63,681                                             |
|                              |                                                    | 59,222                                             |

*Note:*

- (1) The annual caps for transactions contemplated under the Existing Master FATH and Other Comprehensive Services Agreement are for the year ending 31 December 2023.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

- (2) The utilisation rate for transactions contemplated under the Existing Master FATH and Other Comprehensive Services Agreement for the 6 months ended 30 June 2023 was calculated using half of the annual caps set out for the year ended 31 December 2023.

When setting the above proposed annual caps for the transactions contemplated under the New Master FATH and Other Comprehensive Services Agreement, the Directors (i) reviewed the historical transaction amounts in respect of the Existing Master FATH and Other Comprehensive Services Agreements of approximately RMB194.3 million, RMB217.8 million, RMB144.7 million and RMB38.4 million for the three years ended 31 December 2022 and the six months ended 30 June 2023, respectively; and (ii) compared such historical transaction amounts with the annual caps for the transactions contemplated under the Existing Master FATH and Other Comprehensive Services Agreement (i.e. RMB245.7 million and RMB298.2 million for the two years ending 31 December 2023). The Directors noted that the actual transaction amounts for services rendered under the Existing Master FATH and Other Comprehensive Services Agreement was much lower than expected transaction amounts when determining the annual caps for the transactions contemplated under the Existing Master FATH and Other Comprehensive Services Agreement at the material time in 2022. In particular, the utilisation rate of the annual caps for the transactions contemplated under the Existing Master FATH and Other Comprehensive Services Agreement decreased from approximately 58.9% for the year ended 31 December 2022 to approximately 25.8% for the six months ended 30 June 2023. This is mainly due to the fact that the business of Dima Group and Affiliated Companies was negatively impacted by the COVID pandemic and real estate industry downturn in the PRC in 2022 and the first half of 2023. On the other hand, the Directors take the following factors into account when determining the proposed annual caps for the transactions contemplated under the New Master FATH and Other Comprehensive Services Agreement:

- (i) the total planned construction area of Dima Group increased by approximately 5.7% from 2020 to 2022. As at 31 December 2022, Dima Group's total planned construction area was approximately 18.6 million sq.m.;
- (ii) the number of existing property projects to which the Group offered Sales Assistance Services, the expected number of new property projects of Dima Group and the expected Sales Assistance Services contract sum for new property projects with reference to the existing agreements regarding the provision of Sales Assistance Services;
- (iii) the number of property projects developed and delivered by Dima Group and Affiliated Companies, the expected number of property projects to be developed and delivered by Dima Group and Affiliated Companies (including associates of Dima Group) and the expected contract sum for Preliminary Planning Services, maintenance and rectification services and other value-added services with reference to the existing agreements regarding the provision of Preliminary Planning Services, maintenance and rectification services and other value-added services;

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

- (iv) the expected increase in the number of property projects for the three years ending 31 December 2026, with reference to (a) the growth rate of the historical transaction amounts; and (b) the business development plan of Dima Group and Affiliated Companies (including associates of Dima Group) and the Group's estimation on the number of new property projects of Dima Group. It is estimated that there will be a total of approximately 129 property projects with GFA under management of approximately 24.2 million sq.m. to be delivered by Dima Group for the three years ending 31 December 2026; and
- (v) the expected annual increase in the charging rates for the Preliminary Planning Services, maintenance and rectification services and other value-added services with reference to the Group's charging rates during the three years ended 31 December 2022 and the six months ended 30 June 2023 and the expected increase in the relevant cost and market price for such services, taking into account, among others, of the increase in the labour cost for the relevant services in the forthcoming years.

Despite the foregoing factors, the Directors expect that the negative impact on Dima Group and Affiliated Companies brought by the real estate industry downturn in the PRC in 2022 and the first half of 2023 would subsist for a period of time. In addition, existing services provided under the Existing Master FATH and Other Comprehensive Services Agreement for certain existing projects would be completed in the three years ending 31 December 2026, and it is expected services would not be required repeatedly for these projects. Thus, after considering all the above factors in a comprehensive manner, the Directors consider it is appropriate to lower the proposed annual caps for the transactions contemplated under the New Master FATH and Other Comprehensive Services Agreement from the historical annual caps for the transactions contemplated under the Existing Master FATH and Other Comprehensive Services Agreement, as well as setting such proposed annual caps with decreasing trend in order to reflect the actual utilisation rate and expected overall required services.

To assess the fairness and reasonableness of the above determining basis of the proposed annual caps under the New Master FATH and Other Comprehensive Services Agreement, we have obtained the documents as mentioned above in the sub-section "Documents obtained and reviewed". We have also discussed with the management of the Company the basis of the estimation of the service fee receivable by the Group from Dima Group and Affiliated Companies during the term of the New Master FATH and Other Comprehensive Agreement, we understand that the annual cap was determined based on, among others, the estimated service fees to be collected, which is computed based on the number of property projects to be developed and delivered by Dima Group and Affiliated Companies, and the charging rate per square meter. It is estimated that there will be a total of approximately 129 property projects with GFA under management of approximately 24.2 million sq.m. to be delivered by Dima Group and Affiliated Companies for the three years ending 31 December 2026.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

We noticed that the, from the above table, the utilisation rate has dropped from approximately 58.9% in 2022 to approximately 25.8% in the first half of 2023, which was due to the actual transaction amounts for services under the Existing Master FATH and Other Comprehensive Service Agreement were lower than expected when determining the caps back in 2022, which was mainly due to the fact that the business of Dima Group and Affiliated Companies was negatively impacted by the COVID pandemic and real estate industry downturn. In contrast to the New Master City Operations Service Agreement and New Master Lifestyle Services Agreement where the proposed annual caps are increasing, the Group has decided to continuously lower the annual cap for this agreement over the next three years. This decision is primarily taking into account of the current market conditions with a more conservative forecast for revenue generation under this agreement.

In addition, we noted that the relevant proposed annual caps for the 3 years ending 31 December 2026 of approximately RMB70.9 million, RMB63.7 million and RMB59.2 million, respectively, accounted for approximately 5.3%, 4.7% and 4.4% of the Group's revenue of approximately RMB1,342.5 million for the year ended 31 December 2022. Given that the Group is expected to further expand its property portfolio and business scale through multiple channels, the Group's revenue is expected to further increase in the coming years, we are of the view that there is and would be no material reliance of the Group on the Dima Group for the FATH and Other Comprehensive Services and that the relevant proposed annual caps are fair and reasonable so far as the Independent Shareholders are concerned.

### **7. Internal Control and Pricing Policy Measures**

To enable the Group to review and assess whether the individual transactions will be conducted on normal commercial terms and on terms no favourable to the Group than those available from Independent Third Parties, the Group has adopted the following measures:

- (a) the business department and the finance department of the Group will regularly examine and review the pricing terms by collecting relevant market information, and conduct periodic review on the historical and current quotations offered to the Independent Third Parties to ensure the price charged for Dima Group and Affiliated Companies (including associates of Dima Group) is fair and reasonable and no less favourable to the Group, than those available to the Independent Third Parties;
- (b) the finance department of the Group will conduct inspection, review and evaluation on a monthly basis on whether the amounts of continuing connected transactions are maintained within their respective annual caps;
- (c) the senior management of the Company will supervise and monitor the adoption of the internal control procedures to ensure the implementation of the pricing policy is in compliance with the respective agreement and the actual transaction amount is within the respective annual cap;

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

- (d) the auditor of the Company will conduct annual review on the continuing connected transactions of the Group to ensure that the transactions are conducted on the principal terms of the New Dima Group Master Agreements;
- (e) the independent non-executive Directors will conduct annual review regarding the transactions contemplated under the New Dima Group Master Agreements to ensure that such transactions are conducted on normal commercial terms and are in the ordinary and usual course of business of the Group, and the terms and conditions thereof are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Regarding the pricing policy, the Company generally price their services by taking into account factors, such as characteristics, locations, budget, target profit margins, property owners' and residents' profiles, the scope and quality of services, the local government's guidance price on property management fees, where applicable, and the pricing of comparable properties located in the same area. The Company regularly evaluate their financial information to assess whether they are charging sufficient property management fees to sustain their profit margins. During renewal negotiations for their property management service agreements, the Company may raise their property management fees rates as a condition precedent for continuing the services.

The price administration and construction administration departments of the State Council are jointly responsible for supervision over and administration of fees charged for property management and related services, and the Company are also subject to pricing controls issued by the PRC Government. According to the Measures on the Charges for Property Management Services (《物業服務收費管理辦法》)(jointly issued by the NDRC and the Ministry of Construction on 13 November 2003 and taking effect on 1 January 2004) and the relevant local regulations, where property management fees are priced under the government guidance, the competent price government department with pricing authority together with the competent real estate administrative department shall set the benchmark prices and the range of variations depending on factors, such as (i) the specific property type, which may include higher-level apartment buildings with elevators and lower-level apartment building without elevators; (ii) service scope, which may specify different types of services, such as landscaping, repair and maintenance for common areas and elevator maintenance; and (iii) the grading criteria of property management fees, and publish these prices and the range of variations at regular intervals.

In considering whether the above pricing policy and internal control measures and procedures are adequate and effective, we have performed the internal control systems walk through test under each of the Existing Dima Group Master Agreements which involved reviewing historical transactions and obtaining relevant supporting documents including, amongst others, the approvals from the operational team head, and records of the actual transaction amounts incurred. Based on our review result, we are satisfied that the pricing policy and internal control measures have been properly maintained by the Group and that the transactions were conducted on normal commercial terms with price and terms comparable to, or no less favourable than, the market prices and terms.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Further, given that (i) each individual agreement in respect of the transactions contemplated under the New Dima Group Master Agreements with the connected persons will continue to be compared with the prices and terms of similar products and services from/to Independent Third Parties to ensure that the engagements and orders in respect of each of the transactions contemplated under the New Dima Group Master Agreements will be conducted on normal commercial terms; (ii) the finance department executes monthly evaluations to ensure that the annual caps of the transactions contemplated under the New Dima Group Master Agreements are not exceeded at any point in time; (iii) a monitoring system is in place with the senior management overseeing the implementation of internal controls, ensuring compliance with the pricing policy and the maintenance of transaction amounts within their respective annual caps.; and (iv) the pricing and the annual caps of the transactions contemplated under the New Dima Group Master Agreements will be annually reviewed by the auditors, and the independent non-executive Directors of the Group, we are satisfied that the internal control measures and procedures adopted by the Group will ensure that the prices and terms for the engagement of/by the connected persons will be entered on normal commercial terms and are comparable to, or no less favorable than, the market prices and terms. We are also of the view that these internal control measures and procedures are adequate and effective in monitoring the annual caps.

### RECOMMENDATION

Having considered the principal factors and reasons set out above, we consider that the New Dima Group Master Agreements has been entered into in the ordinary and usual course of business of the Group and on normal commercial terms or better, and that the terms of the New Dima Group Master Agreements and the respective proposed annual caps contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution(s) approving the New Dima Group Master Agreements and the respective proposed annual caps contemplated thereunder at the EGM. We also recommend the Independent Shareholders to vote in favour of the New Dima Group Master Agreements and the respective proposed annual caps contemplated thereunder at the EGM.

Yours faithfully,  
For and on behalf of  
**Pelican Financial Limited**  
**Charles Li\***  
*Managing Director*

\* *Charles Li is a responsible person registered under the SFO to carry out Type 6 (advising on corporate finance) regulated activity for Pelican Financial Limited and has over 30 years of experience in the accounting and financial services industry.*

# *For identification purposes only*

**A.    PROPOSED DIRECTORS FOR RE-ELECTION****Non-executive Directors**

**Ms. Luo Shaoying**, aged 50, is a non-executive Director, the chairlady of the Board, a member of the Audit Committee and the chairlady of the Nomination Committee. She was appointed as a non-executive Director in October 2022. Ms. Luo has also been appointed as a director of Dima in May 2016. In August 2018, Ms. Luo was redesignated as the chairlady of Dima. In May 2019, she was also appointed as the chief executive officer of Dima. She subsequently resigned as the chairlady of Dima in November 2022 but continued to serve as a director and chief executive officer of Dima. Between December 2012 and July 2022, Ms. Luo was a director of Doyen International Holdings Limited, a company whose issued shares are listed on the Stock Exchange (stock code: 668).

Ms. Luo obtained a bachelor's degree in business administration from the University of Georgia, the U.S. in March 1998. She was awarded the "Top 10 Philanthropic People" by the Chongqing Daily 2020 Annual Charity Awards and "China Philanthropic People" in the 2020 China Annual Conference on Philanthropy. She was also awarded the title of the "National March 8<sup>th</sup> Red-Banner Pacesetter" (全國三八紅旗手) by the All-China Women's Federation in 2022.

Ms. Luo is a sister of Mr. Lo, who is a substantial shareholder (as defined under the Listing Rules) of the Company; and a sister-in-law of Ms. Chiu, who is the spouse of Mr. Lo and a substantial shareholder of the Company.

**Ms. Yi Lin**, aged 50, is a non-executive Director and a member of the Remuneration Committee. She was appointed as a non-executive Director in December 2020. She obtained a bachelor's degree in accounting from Chongqing University (重慶大學) in the PRC in June 1995. She further obtained a master's degree in accounting from Shanghai University of Finance and Economics (上海財經大學) in the PRC in September 2002.

Ms. Yi has over 15 years of experience in financial management and accounting. From August 2006 to December 2007, Ms. Yi served as the general manager of the finance department of Chongqing Doyen Holdings Group Co., Ltd.\* (重慶東銀控股集團有限公司) and was responsible for coordinating the daily operation of the finance department. Since January 2008, Ms. Yi has served as the chief finance officer of Dongyuan Property Development Group Company Limited\* (東原房地產開發集團有限公司) ("**Dongyuan Real Estate**"), a subsidiary of Dima. From April 2010 to March 2012, Ms. Yi served as the chief finance officer of Dima. From March 2012 to April 2013, Ms. Yi served as a vice general manager and the secretary of the board of directors of Dima. From April 2013 to May 2014, Ms. Yi served as the general manager of Dima. Since April 2013, Ms. Yi has been a director of Dima. Since May 2014, Ms. Yi has also served as the vice chief executive officer and the head of finance department of Dima.



**Independent non-executive Directors**

**Ms. Cai Ying**, aged 48, is an independent non-executive Director, a member of each of the Remuneration Committee and the Nomination Committee. She was appointed as an independent non-executive Director in December 2020. She obtained a bachelor's degree in electrical technology from Guangdong University of Technology\* (廣東工業大學) in the PRC in July 1997. She further obtained a master's degree in finance from Jinan University\* (暨南大學) in the PRC in January 2002 and a master's degree in business administration from China Europe International Business School in the PRC in August 2016.

Ms. Cai has over 24 years of finance management and investment related experience. Ms. Cai previously worked in the agent service department, e-commerce department and the computer division of the Guangzhou branch of China Southern Securities Co., Ltd.\* (南方證券有限公司), a company principally engaged in provision of financial services from July 1997 to May 2004. From May 2004 to July 2008, Ms. Cai served as a senior manager of the channel service department of China Southern Asset Management Co., Ltd. (南方基金管理股份有限公司), a company principally engaged in fund management and provision of financial services. From August 2008 to July 2013, she served as the general manager and vice general manager of the Guangzhou branch of Penghua Fund Management Co. Ltd.\* (鵬華基金管理有限公司), a company principally engaged in fund management and provision of financial services. Ms. Cai was responsible for the sales and marketing of fund products in southern part of the PRC. From August 2013 to September 2020, Ms. Cai served as a director and general manager of First Seafront Fund Management Co. Ltd.\* (前海開源基金管理有限公司). From September 2013 to July 2014 and from July 2014 to September 2020, Ms. Cai served as an executive director and the chairman of the board and legal representative of First Seafront Asset Management Co. Ltd.\* (前海開源資產管理有限公司) respectively. Since September 2020, Ms. Cai has served as the vice chairman of First Seafront Fund Management Co. Ltd.\* (前海開源基金管理有限公司). Each of First Seafront Fund Management Co. Ltd.\* (前海開源基金管理有限公司) and First Seafront Asset Management Co. Ltd.\* (前海開源資產管理有限公司) is a company principally engaged in asset management and provision of financial services, the investment portfolios of which consisted of shares of certain property management companies listed on the Main Board of the Stock Exchange.

**Mr. Wang Susheng**, aged 54, is an independent non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee. He was appointed as an independent non-executive Director in December 2020. He obtained a bachelor's degree in geography from Changsha Water Conservancy and Electric Power Pedagogical University\* (長沙水利電力師範大學, currently known as 長沙理工大學) in the PRC in July 1991. He further obtained a master's degree in economics from Renmin University of China (中國人民大學) in the PRC in July 1994. In July 2000, he obtained a doctor's degree in international law from Peking University (北京大學) in the PRC. He further obtained a post-doctoral degree in management science from Tsinghua University (清華大學) in the PRC in September 2002 and master's degree in business administration from the University of Chicago in the U.S. in March 2004. Mr. Wang was qualified as a non-practising registered accountant in the PRC in May 1997, a lawyer by the Ministry of Justice of the PRC in June 1997 and a chartered financial analyst by the CFA Institute in the U.S. in April 2005.

He was a professor in finance of Harbin Institute of Technology (Shenzhen) between July 2003 and April 2017. Since April 2017, he has been a professor in finance of Southern University of Science and Technology.

From December 2013 to May 2020, Mr. Wang served as an independent non-executive director of Guangzhou Automobile Group Co., Ltd., a company whose issued shares are listed on the Stock Exchange (stock code: 2238). Between January 2016 and February 2022, Mr. Wang served as an independent director of Wedge Industrial Co. Ltd.\* (萬澤實業股份有限公司), the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000534.SZ). Between December 2016 and July 2022, Mr. Wang served as an independent director of Tianma Microelectronics Co. Ltd.\* (天馬微電子股份有限公司), the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000050.SZ). From April 2017 to August 2023, Mr. Wang served as an independent director of Shahe Industry Co., Ltd.\* (沙河實業股份有限公司), the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000014.SZ). Between October 2018 and August 2021, Mr. Wang has been serving as an independent director of Shenzhen Procto Supply Chain Management Co. Ltd.\* (深圳市普路通供應鏈管理股份有限公司), the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002769.SZ).

Since August 2021, Mr. Wang has been serving as an independent director of ChangYuan Technology Group Ltd.\* (長園科技集團股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (stock code: 600525.SH). Since December 2021, Mr. Wang has been serving as an independent non-executive director of CALB Co., Ltd, a company whose issued shares are listed on the Stock Exchange (stock code: 3931).

**Mr. Song Deliang** (formerly known as Song Kaibo 宋開波), aged 51, is an independent non-executive Director, the chairman of the Audit Committee and a member of the Nomination Committee. He was appointed as an independent non-executive Director in December 2020. He obtained a doctor's degree in accounting from Shanghai University of Finance and Economics (上海財經大學) in the PRC in January 2003.

He joined Shanghai National Accounting Institute as a lecturer in August 2003 and was later promoted to vice professor in June 2012. In July 2018 and March 2019, Mr. Song offered training to the management staff of (i) a PRC company principally engaged in the provision of property management services for commercial properties, hotels and industrial parks in the PRC and is a subsidiary of a state-owned enterprise, the shares of which are listed on the Stock Exchange and Shanghai Stock Exchange; and (ii) a PRC company principally engaged in the provision of property management services in Southern China, Eastern China, Northern China, Western China, Hong Kong and Macau, the shares of which are listed on the Stock Exchange.

From April 2010 to July 2016, Mr. Song served as an independent director, a member of each of the nomination and audit committee of the board of directors of Anhui Hengyuan Coal Industry and Electricity Power Co., Ltd.\* (安徽恆源煤電股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (stock code: 600971.SH). From August 2010 to April 2016, Mr. Song served as an independent director of State Grid Yingda Co., Ltd.\* (國網英大股份有限公司, formerly known as 上海置信電氣股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (stock code: 600517.SH). Mr. Song also served as the chairman of the audit committee of such company between October 2010 and April 2016. From July 2015 to May 2019, Mr. Song served as an independent director, the chairman of each of the audit and

remuneration committee of the board of directors of Dima. Between January 2017 and June 2023, Mr. Song served as an independent director of Shanghai Tianchen Co., Ltd.\* (上海天宸股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (stock code: 600620.SH). Between March 2017 and June 2023, Mr. Song also served as the chairman of the audit committee of Shanghai Tianchen Co., Ltd.\*. Between September 2018 and August 2023, Mr. Song served as an independent director and a member of the audit committee of the board of directors of Sunsea AIoT Technology Co., Ltd.\* (日海智能科技股份有限公司), the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002313.SZ).

## **B. PROPOSED SUPERVISORS FOR RE-ELECTION AND APPOINTMENT**

**Mr. Mao Dun**, aged 44, is a Supervisor. He was appointed as a Supervisor in December 2020. He obtained a bachelor's degree in taxation from Chongqing Business College (重慶商學院, currently known as 重慶工商大學) in the PRC in July 2001.

Since May 2014, Mr. Mao has served as the assistant audit general manager of Dongyuan Real Estate and has been responsible for coordinating audit related matters.

**Mr. Yang Guang**, aged 34, obtained a bachelor's degree in management from Shanghai University of Finance and Economics (上海財經大學) in the PRC in July 2010. Since October 2015, he has been a non-practising member of the Shanghai Institute of Certified Public Accountants (上海市註冊會計師協會).

Between October 2010 and October 2015, Mr. Yang was an audit manager at PricewaterhouseCoopers Zhongtian CPA (Special General Partnership)\* (普華永道中天會計師事務所 (特殊普通合夥)). Between October 2015 and May 2021, he was an executive general manager for finance in Shanghai Fosun High Technology (Group) Co., Ltd\* (上海復星高科技(集團)有限公司), a wholly-owned subsidiary of Fosun International Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 656). Between March 2021 and July 2021, Mr. Yang has served as a supervisor of Shanghai Gangyin E-Commerce Co.,Ltd.\* (上海鋼銀電子商務股份有限公司), a company listed on the National Equities Exchange and Quotations (全國中小企業股份轉讓系統)(stock code: 835092). Since May 2021, Mr. Yang served as a senior finance director at Shanghai Miaowei Construction Technology Co., Ltd\* (上海妙威建築科技有限公司), a subsidiary of Dima.

The following are the changes to the existing Articles of Association introduced by the Amended Articles. Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers in the Amended Articles.

| Article No. | Provisions in the Amended Articles (showing changes to the existing Articles of Association)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1           | <p>To safeguard the legitimate rights and interests of Dowell Service Group Co., Limited (the “<b>Company</b>”), its shareholders and creditors, and to regulate the organization and activities of the Company, the Articles of Association are hereby formulated, in accordance with the Company Law of the People’s Republic of China (the “<b>Company Law</b>”), the Securities Law of the People’s Republic of China (the “<b>Securities Law</b>”), <del>the Special Regulations of the State Council on Overseas Offering and Listing of Company Limited by Shares (the “<b>Special Regulations</b>”), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (the “<b>Trial Measures</b>”), the Articles of Association of Companies Seeking a Listing Outside the PRC Prerequisite Clauses (the “<b>Prerequisite Clauses</b>”),</del> the Letter of Opinion on Amendment to Articles of Association of Companies Listing in Hong Kong (SFC Letter [1995] No. 1, the “<b>SFC Letter</b>”), the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to Overseas Listed Companies (State Letter [2019] No.97, the “<b>Reply of the Adjustment of the Notice Period</b>”), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “<b>Hong Kong Listing Rules</b>”) and the provisions of other relevant laws and regulations.</p> |
| 25          | <p>Prior to the initial public offering of overseas listed foreign shares, the registered capital of the Company was RMB50,000,000 and the total number of shares was 50,000,000, all of which are ordinary shares.</p> <p>Upon the completion of the initial public offering of overseas listed foreign shares, and partial exercise of Over-allotment Option, the total registered capital of the Company is RMB66,990,867 and the total number of shares is 66,990,867. The share capital structure of the Company includes: 66,990,867 ordinary shares, 50,000,000 and 16,990,867 shares of which are respectively held by the promoters and H shareholders.</p> <p><u>Upon completion of the Company’s H full circulation (i.e. the domestic unlisted shares of the H-share company (including unlisted domestic shares held by domestic shareholders before overseas listing, unlisted domestic shares additionally issued domestically after overseas listing, and unlisted shares held by foreign shareholders) After the shares are listed and circulated on the Stock Exchange), the Company’s share capital structure is: H share shareholders hold 66,990,867 shares.</u></p>                                                                                                                                                                                                                                                                                                    |
| 44(I)       | <p>The subscriber of shares agrees with the Company and its shareholders, and the Company agrees with each shareholder, to observe and comply with the requirements of laws and regulations such as the Company Law, <del>the Special Regulations</del> and the requirements under the Articles of Association.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

67

The general meeting shall be the organ with authority of the Company and shall exercise following functions and powers in accordance with the law.

- (1) To decide the Company's operational directions and investment plans;
- (2) To elect and replace directors and supervisors who are not staff representatives and to determine matters relating to the remuneration of the directors and supervisors;
- (3) To consider and approve the reports of the board of directors;
- (4) To consider and approve the reports of the board of Supervisors;
- (5) To consider and approve the Company's annual financial budgets and final accounts;
- (6) To consider and approve the Company's profit distribution plans and loss recovery plans;
- (7) To make resolutions on increase or reduction of the Company's registered capital;
- (8) To make resolutions on the issue of debentures and other securities by the Company;
- (9) To make resolutions on the merger, division, dissolution, liquidation or change of corporate form of the Company;
- (10) To amend the Articles of Association;
- (11) To make resolutions on the appointment, re-appointment or dismissal of the accounting firms;
- (12) To consider and approve the following external guarantee matters:
  1. the provision of any guarantee where the total amount of the external guarantee by the Company and its subsidiaries exceeds 50% of the latest audited net assets;
  2. the provision of any guarantee where the total amount of the external guarantee by the Company exceeds 30% of the latest audited net assets;
  3. the amount of the guarantee provided by the Company within one year exceeds 30% of the latest audited net assets of the Company;
  4. Provision of guarantee to any guaranteed party with an assets to liabilities ratio exceeding 70%;

5. the provision of any single guarantee in which the amount exceeds 10% of the latest audited net assets; the provision of any single guarantee in which the amount exceeds 10% of the latest audited net assets;
6. the provision of guarantees to the shareholder(s), controlling shareholder(s) and their related party(ies).
- (13) To consider and approve any sale or purchase of major assets that exceeds 30% of the Company's latest audited total assets within one year;
- (14) To consider equity incentive plans and employee share option scheme;
- (15)(12) To consider and approve the motions put forward by shareholders individually or jointly holding more than 3% of the Company's shares with voting rights;
- (16)(13) To consider other matters which are required to be determined at the general meeting as required by laws, administrative regulations, departmental rules and the Articles of Association.

74

Shareholder(s) severally or jointly holding more than 10% shares of the Company shall have the right to request the board of directors to hold an extraordinary general meeting ~~or class meeting~~, and shall put forward such request to the board of directors in writing. The board of directors shall, pursuant to relevant laws, administrative regulations, the listing rules of the stock exchange in the place where the stocks of the Company are listed and the articles of association, give a written reply on whether or not it agrees to hold such an extraordinary general meeting ~~or class meeting~~ within 10 days after receipt of the request.

Where the board of directors agrees to hold the extraordinary general meeting ~~or class meeting~~, it shall serve a notice of such meeting within 5 days after the resolution is made by the board of directors. Any change to the original request set forth in the notice shall be subject to approval by the relevant shareholders. If the board of directors does not agree to hold the extraordinary general meeting ~~or class meeting~~ or fails to give a written reply within 10 days after receipt of the request, shareholder(s) severally or jointly holding more than 10% shares of the Company shall be entitled to propose to the board of supervisors to hold an extraordinary general meeting ~~or class meeting~~, and shall put forward such request to the board of Supervisors in writing.

If the board of Supervisors agrees to convene the extraordinary general meeting ~~or class meeting~~, it shall serve a notice of such meeting within 5 days after receipt of the said request. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained. If the board of supervisors fails to serve the notice of general meeting ~~or class meeting~~ within the prescribed period, the shareholder(s) severally or jointly holding more than 10% shares of the Company for more than 90 consecutive days may convene and preside over the meeting by themselves.

86

All shareholders or their proxies in the register of members on the equity registration date shall be entitled to attend the general meeting and exercise their voting rights according to relevant laws, administrative regulations, departmental rules, the listing rules of the stock exchange in the place where the stocks of the Company are listed and the articles of association.

The shareholders that have the right to attend general meetings and exercise voting rights may attend and vote at general meetings either in person or by one or multiple proxies (the proxies may be not shareholders). The proxy may exercise the following rights according to the authorization of the shareholder:

- (I) the right of the shareholder to speak at the general meeting;
- (II) to require alone or together with others voting by ballot;
- (III) to exercise the voting right on a show of hands, but if more than one shareholder proxy is appointed, the shareholder proxies may exercise voting right only in form of ballot.

If the shareholder is a recognized clearing house defined by relevant laws or regulations of the place where the stocks of the Company are listed or an agent thereof, it may authorize one or more people it deems appropriate to act as its representatives at any general meeting ~~or class meeting~~; but, if more than one person is authorized, the power of attorney shall state the number and class of shares involved by each of the authorized persons. The power of attorney shall be signed by a person authorized by the recognized clearing house. The authorized persons may attend meetings (without presenting proof of shareholding, notarized authorization and/or further evidence to prove they have obtained official authorization) and exercise rights on behalf of the recognized clearing house (or its agent), as if the persons are individual shareholders of the Company.

129 – 136

*[deleted entirely]*

137

~~Employee representative directors shall be elected or changed by employee meeting or employee representative meeting, and may be removed from his office by employee meeting or employee representative meeting; other d~~Directors shall be elected or changed by the general meeting, and may be removed from his office by the general meeting.

The term of office of a director is three years. A director may serve consecutive terms if re-elected. Independent non-executive directors who hold office for more than 9 years shall be re-elected after relevant consideration procedures are performed in accordance with the listing rules of the stock exchange where the shares of the Company are listed.

Any non-staff representative director with unexpired term of office may be removed by the general meeting by an ordinary resolution in accordance with relevant laws and regulations and the listing rules of the stock exchange at which the shares of the company are listed, provided that the director's right to claim damages based on any contract shall not be affected.

A director's term of service commences from the date he takes office, until the current term of service of the board of directors ends. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations, departmental rules, the listing rules of the stock exchange at which the shares of the company are listed and the Articles of Association until a re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office.

The general manager (chief executive officer), co-chief executive officer or other members of senior management may concurrently serve as a director, provided that the aggregate number of the directors, who concurrently serve as general manager (chief executive officer), co-chief executive officer or other members of senior management, and the directors who are employee representatives, shall not exceed one half of all the directors of the Company.

A director is not required to hold shares of the Company. Directors of the Company shall be natural persons. A director is not required to hold shares of the Company.

148 The board of directors shall comprise 7 directors (including two staff representative directors) and shall have one chairman and 1 vice chairman. Directors shall be elected through a general meeting. Members of the board of directors shall comprises at least 3 independent non-executive directors and shall not be less than one-third of all members of the board of directors. At least one of the independent non-executive directors must possess appropriate accounting or related financial management expertise.

188 The Company shall have ~~one general manager (chief executive officer), one two~~ co-chief executive officers (one of them being general manager) and one chief financial officer (financial controller), with the term of office of three years, who shall be appointed or dismissed by the board of directors, renewable upon re-appointment.

A director can serve as the ~~general manager (chief executive officer) and~~ co-chief executive officer.



214

The Company shall enter into a written contract with each director, supervisor, general manager and other member of senior management, which shall at least include the following provisions:

- (I) the director, supervisor, general manager and other member of senior management shall undertake to the Company, to comply with the Company Law, ~~the Special Regulations~~, the Articles of Association and the Hong Kong Codes on Takeovers and Mergers and Share Repurchases and regulations of the Hong Kong Stock Exchange, and agree that the Company will be entitled to the remedies as specified in the articles of association, and such contract and his/her position shall not be transferred;
- (II) the director, supervisor, general manager and other member of senior management shall undertake to the Company, to comply with and perform the duties that he/she shall perform to the shareholders as required by the articles of association;
- (III) the arbitration provisions specified in the Articles of Association;

A written contract shall also include remuneration, with the prior approval of the general meeting. The aforesaid remuneration may include:

- (I) remuneration in respect of his/her service as director, supervisor or member of senior management of the Company;
- (II) remuneration in respect of his/her service as director, supervisor or member of the senior management of any subsidiary of the Company;
- (III) remuneration in respect of the provision of other services in connection with the management of the Company and any of its subsidiaries;
- (IV) payment by way of compensation for loss of office or for or in connection with the retirement of such director or supervisor from office.

No proceedings may be brought by a director or supervisor against the Company for anything due to him in respect of the matters mentioned in this article except pursuant to any contract described above.

275

If an amendment to the Articles of Association involves matters ~~provided for in the Prerequisite Clauses~~ that requires the approval from the competent supervisory authority to become effective, it shall be submitted to the competent supervisory authority for approval. If an amendment to the Articles of Association involves a registered particular of the Company, registration of the change shall be carried out in accordance with the law.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' and chief executives' interests in the Company or its associated corporations

Save as disclosed below, as at the Latest Practicable Date, no Directors or chief executive of the Company had any interests and short positions in the H Shares, underlying H Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by the Directors (the “**Model Code**”) set out in Appendix 10 to the Listing Rules:

#### (i) Long positions in shares and underlying shares

| Name of Shareholder | Capacity/<br>Nature of interest         | Number of<br>shares held | Approximate<br>percentage of<br>issued share<br>capital of the<br>Company as<br>at the Latest<br>Practicable<br>Date<br>(Note 1) |
|---------------------|-----------------------------------------|--------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Fan Dong            | Interest in a controlled<br>corporation | 4,990,000<br>(Note 2)    | 7.45%                                                                                                                            |

Notes:

- The calculation is based on 66,990,867 H Shares in issue as at the Latest Practicable Date.
- Mr. Fan Dong is interested in approximately 52.74% of the equity interest in Tianjin Shengyihe Management Consulting Partnership Enterprise (Limited Partnership)\* (天津盛益合企業管理諮詢合夥企業(有限合夥)) (“**Tianjin Partnership**”) and is therefore deemed to be interested in all H Shares held by Tianjin Partnership by virtue of the SFO.

*(ii) Interest in Tianjin Partnership*

| Name of Director | Capacity/<br>Nature of interest | Equity interest    | Approximate<br>percentage of<br>the equity<br>holding as at<br>the Latest<br>Practicable<br>Date |
|------------------|---------------------------------|--------------------|--------------------------------------------------------------------------------------------------|
| Fan Dong         | Beneficial owner                | RMB1.05<br>million | 52.74%                                                                                           |

**(b) Substantial Shareholders and other persons' interests in H Shares and underlying H Shares**

As at the Latest Practicable Date, substantial Shareholders and other persons (other than Directors or chief executive of the Company) who had interests or short positions in the H Shares or underlying H Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follow:

*Long positions in shares and underlying shares*

| Name of Shareholder                                                | Capacity/<br>Nature of interest                  | Number of<br>shares held | Approximate<br>percentage of<br>issued share<br>capital of the<br>Company as<br>at the Latest<br>Practicable<br>Date<br>(Note 2) |
|--------------------------------------------------------------------|--------------------------------------------------|--------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Tianjin Chengfang                                                  | Beneficial owner                                 | 25,520,000 (L)           | 38.09%                                                                                                                           |
| Chongqing Dima Ruisheng Co. Ltd.* (重慶迪馬睿升實業有限公司) (“Dima Ruisheng”) | Interest in a controlled corporation<br>(Note 3) | 25,520,000 (L)           | 38.09%                                                                                                                           |
| Dima                                                               | Interest in a controlled corporation<br>(Note 3) | 25,520,000 (L)           | 38.09%                                                                                                                           |

| Name of Shareholder                                                                                                                                                   | Capacity/<br>Nature of interest                  | Number of<br>shares held | Approximate<br>percentage of<br>issued share<br>capital of the<br>Company as<br>at the Latest<br>Practicable<br>Date<br>(Note 2) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Chongqing Doyen Holdings Group Co., Ltd.* (重慶東銀控股集團有限公司) (previously known as Chongqing Doyen Industry (Group) Company Limited* (重慶東銀實業(集團)有限公司)) (“Chongqing Doyen”) | Interest in a controlled corporation<br>(Note 3) | 25,520,000 (L)           | 38.09%                                                                                                                           |
| Mr. Lo                                                                                                                                                                | Interest in a controlled corporation<br>(Note 3) | 25,520,000 (L)           | 38.09%                                                                                                                           |
| Ms. Chiu                                                                                                                                                              | Interest of spouse<br>(Note 4)                   | 25,520,000 (L)           | 38.09%                                                                                                                           |
| Tianjin Partnership                                                                                                                                                   | Beneficial owner                                 | 4,990,000 (L)            | 7.45%                                                                                                                            |
| Ms. Xia Qing                                                                                                                                                          | Interest of spouse<br>(Note 5)                   | 4,990,000 (L)            | 7.45%                                                                                                                            |
| Mr. Liu Xing                                                                                                                                                          | Interest in a controlled corporation<br>(Note 6) | 4,990,000 (L)            | 7.45%                                                                                                                            |
| Ms. Ma Xuemei                                                                                                                                                         | Interest of spouse<br>(Note 7)                   | 4,990,000 (L)            | 7.45%                                                                                                                            |
| Kingdom Vast Limited                                                                                                                                                  | Beneficial owner                                 | 12,705,000 (L)           | 18.97%                                                                                                                           |
| RAF Capital Group Limited                                                                                                                                             | Interest in a controlled corporation<br>(Note 8) | 12,705,000 (L)           | 18.97%                                                                                                                           |
| Mr. Wong Hao                                                                                                                                                          | Interest in a controlled corporation<br>(Note 8) | 12,705,000 (L)           | 18.97%                                                                                                                           |

| Name of Shareholder                  | Capacity/<br>Nature of interest                      | Number of<br>shares held | Approximate<br>percentage of<br>issued share<br>capital of the<br>Company as<br>at the Latest<br>Practicable<br>Date<br>(Note 2) |
|--------------------------------------|------------------------------------------------------|--------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Ms. Zhang Xiangnong                  | Interest of spouse<br>(Note 9)                       | 12,705,000 (L)           | 18.97%                                                                                                                           |
| Harvest Fund Management Co.,<br>Ltd. | Interest in a controlled<br>corporation<br>(Note 10) | 6,785,000 (L)            | 10.13%                                                                                                                           |
| China Credit Trust Co., Ltd.         | Interest in a controlled<br>corporation<br>(Note 10) | 6,785,000 (L)            | 10.13%                                                                                                                           |
| 成都照月投資管理有限公司                         | Investment manager                                   | 3,855,000 (L)            | 5.75%                                                                                                                            |

## Notes:

- The letters "L" and "S" denote the person's long and short position in such securities, respectively.
- The calculation is based on 66,990,867 H Shares in issue as at the Latest Practicable Date.
- Tianjin Chengfang was wholly-owned by Dima Ruisheng which was in turn wholly-owned by Dima. As at the Latest Practicable Date, Dima was an A-share company listed on the Shanghai Stock Exchange and was owned by Chongqing Doyen and Chongqing Shuorun as to approximately 35.55% and 3.01% respectively. Chongqing Shuorun was owned by Chongqing Doyen and Ms. Chiu as to approximately 98.96% and 1.04% respectively, while Chongqing Doyen was owned by Mr. Lo and Ms. Chiu as to approximately 77.78% and 22.22% respectively. By virtue of the SFO, each of Mr. Lo, Chongqing Doyen, Dima and Dima Ruisheng are deemed to be interested in all the H Shares held by Tianjin Chengfang.
- Ms. Chiu is the spouse of Mr. Lo. By virtue of the SFO, Ms. Chiu is deemed to be interested in all the H Shares held by Mr. Lo.
- Ms. Xia Qing is the spouse of Mr. Fan Dong. By virtue of the SFO, Mr. Xia Qing is deemed to be interested in all the H Shares held by Mr. Fan Dong.
- Tianjin Partnership's equity interests were owned by Mr. Fan Dong and Mr. Liu Xing as to approximately 52.74% and 37.18% respectively. By virtue of the SFO, Mr. Liu Xing is deemed to be interested in all the H Shares held by Tianjin Partnership.
- Ms. Ma Xuemei is the spouse of Mr. Liu Xing. By virtue of the SFO, Ms. Ma Xuemei is deemed to be interested in all the H Shares held by Mr. Liu Xing.
- Kingdom Vast Limited was wholly-owned by RAF Capital Group Limited, which was in turn was wholly-owned by Mr. Wang Hao. By virtue of the SFO, each of RAF Capital Group Limited and Mr. Wang Hao is deemed to be interested in all the H Shares held by Kingdom Vast Limited.

9. Ms. Zhang Xiangnong is the spouse of Mr. Wang Hao. By virtue of the SFO, Ms. Zhang Xiangnong is deemed to be interested in all the H Shares held by Mr. Wang Hao.
10. Each of (i) Harvest International Premium Value (Alternative Investments) Fund SPC on behalf of Property Management Investment SP (being the sole shareholder of Harvest Property Management Investment Limited); (ii) Harvest Global Investments Limited (being the shareholder holding as to approximately 91% of Harvest International Premium Value (Alternative Investments) Fund SPC on behalf of Property Management Investment SP); (iii) Harvest Fund Management Co., Ltd.\* (嘉實基金管理有限公司) (being the sole shareholder of Harvest Global Investments Limited); and (iv) China Credit Trust Co., Ltd. (being the equity holder of 40% of equity interest in Harvest Fund Management Co., Ltd.\* (嘉實基金管理有限公司)) is deemed to be interested in all the H Shares held by Harvest Property Management Investment Limited by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Company was not notified by any persons (other than Directors or chief executive of the Company as discussed above) who had interests or short positions in the H Shares or underlying H Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

### 3. COMPETING INTEREST

So far as the Directors are aware, none of the Directors or their respective associates had interest in any business which compete or is likely to compete, either directly or indirectly, with the businesses of the Group as at the Latest Practicable Date.

### 4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any existing or proposed service contract with the Company, or any of its subsidiaries or associated companies which was not determinable by the employer within one year without payment of compensation (other than statutory compensation).

### 5. DIRECTORS' INTERESTS IN CONTRACTS OR ASSETS

As at the Latest Practicable Date,

- (i) there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group; and
- (ii) none of the Directors had any direct or indirect interest in any assets which had been since 31 December 2022 (being the date to which the latest published audited financial statements of the Group were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

## 6. LITIGATION

As at the Latest Practicable Date, to the best of the Directors' knowledge information and belief, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened against any member of the Group that would have a material adverse effect on the results of operations or financial conditions of the Group.

## 7. QUALIFICATION AND CONSENTS OF EXPERT

- (a) The following sets out the qualifications of the expert who has given its opinions or advice or statements as contained in this circular:

| <b>Name</b>               | <b>Qualification</b>                                                                                                                                                            |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Pelican Financial Limited | A corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |

- (b) As at the Latest Practicable Date, the above expert had no shareholding in the Company or any other member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company or any other member of the Group.
- (c) As at the Latest Practicable Date, the above expert had no direct or indirect interests in any assets which has been acquired or disposed of by or leased to any member of the Group since 31 December 2022 (the date to which the latest published audited consolidated financial statements of the Group were made up) or proposed to be so acquired, disposed of or leased to any member of the Group.
- (d) As at the Latest Practicable Date, the above expert had given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its reports or letters or its name and logo in the form and context in which they respectively appear.

## 8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2022, being the date to which the latest published audited financial statements of the Group were made up.

**9. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published and displayed on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.dowellservice.com](http://www.dowellservice.com)) for a period of 14 days from the date of this circular (both days inclusive):

- (a) the New Master City Operations Services Agreement;
- (b) the New Master Lifestyle Services Agreement;
- (c) the New Master FATH and Other Comprehensive Services Agreement;
- (d) the letter from the Independent Financial Adviser as set out in this circular;
- (e) the letter from the Independent Board Committee as set out in this circular;
- (f) the written consent from the Independent Financial Adviser referred to in the paragraph headed “7. Qualification and consents of experts” in this Appendix; and
- (g) this circular.



---

## NOTICE OF EGM

---



### **DOWELL SERVICE GROUP CO. LIMITED\*** **東原仁知城市運營服務集團股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2352)**

#### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “EGM”) of Dowell Service Group Co. Limited\*東原仁知城市運營服務集團股份有限公司 (the “Company”) will be held in physical form at 4th Floor, Hall E, Dongyuan 1891, 80 Nanbin Road, Nan’an District, Chongqing, the People’s Republic of China (the “PRC”) on Wednesday, 13 December 2023 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions:

#### **ORDINARY RESOLUTIONS**

To consider and approve, by way of separate ordinary resolutions, each of the following resolutions:

1. **“THAT:**

- (a) the transactions contemplated under the New Master City Operations Services Agreement, a copy of which has been produced to the meeting marked “A” and signed by the Chairman of the meeting for the purpose of identification, and the relevant annual caps for the transactions contemplated thereunder be and are hereby approved; and
- (b) all acts done and things executed and all such documents or deeds entered into in connection with the implementation of the New Master City Operations Services Agreement and the transactions contemplated thereunder and the annual caps for the transactions contemplated thereunder be and are hereby approved, and any one Director be and is hereby authorised to do all such acts and things and execute all such documents or deeds and to take all steps as the Director may in his/her discretion consider necessary, desirable or expedient in connection with the implementation of the New Master City Operations Services Agreement or the transactions contemplated thereunder and/or the annual caps for the transactions contemplated thereunder and to make and agree to such variations, amendments or waivers of matters relating thereto, as are, in the opinion of the Director, necessary or desirable.”

---

## NOTICE OF EGM

---

2. **“THAT:**

- (a) the transactions contemplated under the New Master Lifestyle Services Agreement, a copy of which has been produced to the meeting marked “B” and signed by the Chairman of the meeting for the purpose of identification, and the relevant annual caps for the transactions contemplated thereunder be and are hereby approved; and
- (b) all acts done and things executed and all such documents or deeds entered into in connection with the implementation of the New Master Lifestyle Services Agreement and the transactions contemplated thereunder and the annual caps for the transactions contemplated thereunder be and are hereby approved, and any one Director be and is hereby authorised to do all such acts and things and execute all such documents or deeds and to take all steps as the Director may in his/her discretion consider necessary, desirable or expedient in connection with the implementation of the New Master Lifestyle Services Agreement or the transactions contemplated thereunder and/or the annual caps for the transactions contemplated thereunder and to make and agree to such variations, amendments or waivers of matters relating thereto, as are, in the opinion of the Director, necessary or desirable.”

3. **“THAT:**

- (a) the transactions contemplated under the New Master FATH and Other Comprehensive Services Agreement, a copy of which has been produced to the meeting marked “C” and signed by the Chairman of the meeting for the purpose of identification, and the relevant annual caps for the transactions contemplated thereunder be and are hereby approved; and
- (b) all acts done and things executed and all such documents or deeds entered into in connection with the implementation of the New Master FATH and Other Comprehensive Services Agreement and the transactions contemplated thereunder and the annual caps for the transactions contemplated thereunder be and are hereby approved, and any one Director be and is hereby authorised to do all such acts and things and execute all such documents or deeds and to take all steps as the Director may in his/her discretion consider necessary, desirable or expedient in connection with the implementation of the New Master FATH and Other Comprehensive Services Agreement or the transactions contemplated thereunder and/or the annual caps for the transactions contemplated thereunder and to make and agree to such variations, amendments or waivers of matters relating thereto, as are, in the opinion of the Director, necessary or desirable.”

4. **“THAT:**

- (a) the re-election of Ms. Luo Shaoying as a non-executive Director be and is hereby considered and approved, with effect from the date on which the appointment is approved by the Shareholders at the EGM or 14 December 2023 (whichever is later) for a term of three years;

---

## NOTICE OF EGM

---

(b) any Director be and is hereby authorised to sign on behalf of the Company the Director's service contract with Ms. Luo Shaoying; and

(c) the Board be and is hereby authorised to determine her remuneration.”

5. **“THAT:**

(a) the re-election of Ms. Yi Lin as a non-executive Director be and is hereby considered and approved, with effect from the date on which the appointment is approved by the Shareholders at the EGM or 14 December 2023 (whichever is later) for a term of three years;

(b) any Director be and is hereby authorised to sign on behalf of the Company the Director's service contract with Ms. Yi Lin; and

(c) the Board be and is hereby authorised to determine her remuneration.”

6. **“THAT:**

(a) the re-election of Ms. Cai Ying as an independent non-executive Director be and is hereby considered and approved, with effect from the date on which the appointment is approved by the Shareholders at the EGM or 14 December 2023 (whichever is later) for a term of three years;

(b) any Director be and is hereby authorised to sign on behalf of the Company the Director's service contract with Ms. Cai Ying; and

(c) the Board be and is hereby authorised to determine her remuneration.”

7. **“THAT:**

(a) the re-election of Mr. Wang Susheng as an independent non-executive Director be and is hereby considered and approved, with effect from the date on which the appointment is approved by the Shareholders at the EGM or 14 December 2023 (whichever is later) for a term of three years;

(b) any Director be and is hereby authorised to sign on behalf of the Company the Director's service contract with Mr. Wang Susheng; and

(c) the Board be and is hereby authorised to determine his remuneration.”

8. **“THAT:**

(a) the re-election of Mr. Song Deliang as an independent non-executive Director be and is hereby considered and approved, with effect from the date on which the appointment is approved by the Shareholders at the EGM or 14 December 2023 (whichever is later) for a term of three years;

(b) any Director be and is hereby authorised to sign on behalf of the Company the Director's service contract with Mr. Song Deliang; and

(c) the Board be and is hereby authorised to determine his remuneration.”

---

## NOTICE OF EGM

---

9. **“THAT:**

- (a) the re-election of Mr. Mao Dun as a Supervisor be and is hereby considered and approved, with effect from the date on which the appointment is approved by the Shareholders at the EGM or 14 December 2023 (whichever is later) for a term of three years;
- (b) any Director be and is hereby authorised to sign on behalf of the Company the Supervisor’s service contract with Mr. Mao Dun; and
- (c) the Board be and is hereby authorised to determine his remuneration.”

10. **“THAT:**

- (a) the appointment of Mr. Yang Guang as a Supervisor be and is hereby considered and approved, with effect from the date on which the appointment is approved by the Shareholders at the EGM or 14 December 2023 (whichever is later) for a term of three years;
- (b) any Director be and is hereby authorised to sign on behalf of the Company the Supervisor’s service contract with Mr. Yang Guang; and
- (c) the Board be and is hereby authorised to determine his remuneration.”

### SPECIAL RESOLUTION

11. To consider and approve the Proposed Amendments to the Articles of Association.

Yours faithfully,  
By order of the Board  
**DOWELL SERVICE GROUP CO. LIMITED\***  
東原仁知城市運營服務集團股份有限公司  
**Luo Shaoying**  
*Chairman*

Chongqing, People’s Republic of China, 21 November 2023

*Notes:*

1. Unless the context otherwise stated, capitalised terms used in this notice shall have the meaning as those defined in the circular of the Company dated 21 November 2023.
2. Any Shareholder entitled to attend and vote at the EGM is entitled to appoint one or more persons (whether such person is a shareholder or not) as his/her/its proxy or proxies to attend and vote on his/her/its behalf. A proxy need not be a Shareholder. If more than one proxy is appointed, the number of H Shares in respect of which each such proxy so appointed must be specified in the relevant proxy form. Every Shareholder present in person or by proxy shall be entitled to have one vote for each H Share held by him/her/it.
3. In order to be valid, the form of proxy together with the notarised power of attorney and other authorisation documents, if any, must be lodged at the Company’s H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 24 hours prior to the EGM (i.e. no later than 10:00 a.m. on Tuesday, 12 December 2023 (Hong Kong time)) or any adjournment thereof.

---

## NOTICE OF EGM

---

If the proxy is a legal person, its legal representative or any representative authorised by its board of directors or by other decision-making body shall attend the EGM on its behalf. If the Shareholder is a recognised clearing house (or its agent), the Shareholder may authorise one or more suitable persons to act as its representative at the EGM; however, if more than one person are authorised, the form of proxy shall clearly indicate the number and types of shares each person is authorised to represent. The persons after such authorisation may represent the recognised clearing house (or its agent) to exercise the rights, as if they were the individual Shareholders.

A vote made in accordance with the terms of a proxy shall be valid notwithstanding the death or loss of capacity of the appointor or revocation of the proxy or the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that the Company does not receive any written notice in respect of such matters before the commencement of the EGM.

4. The record date for determining the entitlement of members of the H Shares to attend and vote at the EGM will be fixed at the close of business of Friday, 1 December 2023. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 1 December 2023
5. Completion and return of an instrument appointing a proxy will not preclude a Shareholder from attending and voting in person at the EGM and/or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. As required under the Listing Rules, the above resolutions will be decided by way of poll, except where the chairperson, in good faith, decides to allow a resolution relating to a procedural or administrative matter to be voted on by show of hands.
7. Shareholders attending the EGM shall be responsible for their own travel and accommodation expenses.
8. References to time and dates in this notice are to Hong Kong time.
9. Shareholders or their proxies shall present their identity documents when attending the EGM. If any attending Shareholder is a legal person, its legal representative or director or person authorised by other governing body shall present the copy of the resolution of the board of directors or other governing body of such Shareholder for appointing such person to attend the EGM.
10. The form of proxy for use at the EGM is enclosed herewith.
11. Where gale warning (orange typhoon warning or above), rainstorm warning (orange rainstorm warning or above), extreme weather conditions or other similar event is or are in force at 8:00 a.m. on the date of the EGM, the EGM will be postponed. The Company will post an announcement on its website ([www.dowellservice.com](http://www.dowellservice.com)) and on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) to notify the Shareholders of the date, time and place of the rescheduled meeting.

*As of the date of this notice, the Board comprises Mr. Zhang Aiming and Mr. Fan Dong as executive directors of the Company; Ms. Yi Lin and Ms. Luo Shaoying as non-executive Directors; and Ms. Cai Ying, Mr. Wang Susheng and Mr. Song Deliang as independent non-executive Directors.*